



Agenda & minutes

Full Council meeting of
Tuesday, 14 February 2017

Portsmouth City Council

A MEETING OF THE COUNCIL will be held at the Council Chamber - The Guildhall on Tuesday, 14 February 2017 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 **Declarations of Interests under Standing Order 13(2)(b)**
- 2 **Minutes of the Ordinary Council Meeting held on 13 December 2016**
(Pages 7 - 40)
 - the Council meeting held on 13 December 2016
- 3 **Communications and Apologies for Absence**
- 4 **Deputations from the Public under Standing Order No 24 for all items excluding those in respect of item 5, which are dealt with separately on the agenda**
- 5 **Petition - Save Off The Record** (Pages 41 - 42)

Save Off The Record

"We the undersigned call on Portsmouth City Council to fund Off The Record to keep this confidential youth counselling service available to young people in Portsmouth."

The Council's rules state that as the petition contains more than 1,000 signatures it will be debated by the Full Council (if the lead petitioner so requests and they do) even if the issue has been considered by the Council within the last 24 months and it not a matter the Full Council can determine.

1. The petition organiser, Jeanette Smith will be given six minutes to present the petition at the meeting,
2. Followed by any public deputations received on this item.
3. The Administration, via a proposer and seconder, will then present its response to the petition

4. The petition will then be discussed by councillors and the normal rules of debate will apply,

Note - As an Executive (Cabinet) matter, the Full Council is precluded from determining the issues raised in the Petition, although of course the petition can still be debated at the Full Council meeting.

6 Appointments

7 Urgent Business - To receive and consider any urgent and important business from Members of the Cabinet in accordance with Standing Order No 26

It is proposed that the Budget and Tax Setting and Capital Programme reports and recommendations be taken and debated together on the basis that each item impacts on the other and on the understanding that the Tax Setting Item will be voted on first, followed by the Capital Programme.

8 Portsmouth City Council - Budget & Council Tax 2017/18 & Medium Term Budget Forecast 2018/19 to 2020/21 (Pages 43 - 112)

To receive and consider the recommendations of the Cabinet meeting held on 9 February (to follow), the report for which is attached.

9 Capital Programme 2016/17 to 2021/22 (Pages 113 - 194)

To receive and consider the recommendations of the Cabinet meeting held on 9 February (to follow), the report for which is attached.

10 'Make Fair Transitional Pension arrangements for 1950s Women' - Recommendations from Scrutiny Management Panel (Pages 195 - 202)

To receive and consider the attached report and recommendations of the Scrutiny Management Panel meeting held on 21 November 2016.

11 Recommendations from Government & Audit and Standards Committee held on 3 February 2017 (Pages 203 - 208)

To receive and consider the attached report and recommendations of the Governance & Audit & Standards Committee meeting held on 3 February 2017.

12 Notices of Motion

13 Questions from Members under Standing Order No 17 (Pages 209 - 210)

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 nor 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.

If any member of the public wishing to attend the meeting has access requirements, please notify the contact, the Local Democracy Manager at Stewart.Aglan@portsmouthcc.gov.uk. Please also use this email address for any deputation requests.

Civic Offices
Guildhall Square
PORTSMOUTH
6 February 2017

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MINUTES OF A MEETING OF THE COUNCIL held at the Guildhall
Portsmouth on Tuesday, 13 December 2016 at 2.00 pm

Council Members Present

The Right Worshipful The Lord Mayor
Councillor David Fuller (in the Chair)

Councillors

| | |
|------------------|---------------------------|
| Ken Ellcome | Hugh Mason |
| Dave Ashmore | Lee Mason |
| Simon Boshier | Stephen Morgan |
| Jennie Brent | Gemma New |
| Ryan Brent | Robert New |
| Yahiya Chowdhury | Steve Pitt |
| Alicia Denny | Stuart Potter |
| Ben Dowling | Will Purvis |
| John Ferrett | Darren Sanders |
| Jim Fleming | Lynne Stagg |
| Colin Galloway | Luke Stubbs |
| Paul Godier | Julie Bird |
| Scott Harris | Linda Symes |
| Steve Hastings | David Tompkins |
| Hannah Hockaday | Gerald Vernon-Jackson CBE |
| Suzy Horton | Steve Wemyss |
| Lee Hunt | Matthew Winnington |
| Frank Jonas | Neill Young |
| Donna Jones | Rob Wood |
| Ian Lyon | Tom Wood |
| Leo Madden | |

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

Councillor Winnington declared a personal non-pecuniary interest in agenda item 10 - Portsmouth City Council Revenue Budget 2017/18 - Savings Proposals - in that he is a member of Unison and he works for the Roberts Centre.

Councillor Steve Wemyss declared a personal, non-pecuniary interest in agenda item 10 in that he is a member of Unison.

Councillor Rob Wood declared a personal, non-pecuniary interest in agenda item 10 in that his wife is a member of Unison and a former union representative.

93. Minutes of the Ordinary Council Meeting held on 15 November 2016

It was

Proposed by Councillor Donna Jones
Seconded by Councillor Gerald Vernon-Jackson

That the minutes of the meeting of the Council held on 15 November 2016 be confirmed and signed as a correct record.

RESOLVED that the minutes of the meeting of the Council held on 15 November 2016 be confirmed and signed as a correct record.

94. Communications and Apologies for Absence

Apologies for lateness were received on behalf of Councillor Lee Hunt and on behalf of Councillor Lee Mason.

The Lord Mayor gave detailed information concerning filming in the chamber advising that notices had been displayed on the walls concerning the council's rules which strictly prohibit the filming, photographing or recording of members of the public unless they are addressing the meeting and only then if they do not actively object. Filming from gallery to gallery is also prohibited. The Lord Mayor then gave details of the evacuation procedure and reminded everyone that there are building evacuation signs displayed both inside in the public galleries and in the chamber itself.

The Lord Mayor said he was pleased to inform members about Gladys Howard a former councillor and Lord Mayor of Portsmouth. Deputy Lord Mayor, Councillor Ellcome presented Gladys with a Special Recognition of Achievement Award on behalf of the City Council for her long service to the city of Portsmouth. The presentation took place at a dinner event with the police last week as part of her 100th birthday celebration. Gladys was born on 4 December 1916 and worked in the civil service and then the police force, being the first woman police sergeant in Portsmouth in 1952 and then the first woman police inspector in 1963. Gladys was first elected as a Conservative city councillor in 1979 representing the Kingston ward and was re-elected in 1983 and 1986 in Milton ward which she represented until 1990. Gladys was elected Lord Mayor in 1989. The Lord Mayor then invited Councillor Ken Ellcome who attended the presentation to say a few words which he then did. Councillor Ellcome conveyed thanks from Gladys Howard for the Award bestowed on her by the city council.

95. Deputations from the Public under Standing Order No 24

The City Solicitor advised that two deputations had been received in respect of agenda item 10 - Portsmouth City Council Revenue Budget 2017/18 - Savings Proposals. Ms Deb Gardiner and Ms Penny Foskett made deputations in respect of agenda item 10. The City Solicitor thanked them for their deputations.

96. Appointments

The Lord Mayor advised of one committee membership change. Councillor Paul Godier is to replace Councillor Jennie Brent as a standing deputy on the Governance & Audit & Standards Committee. This was agreed.

97. Urgent Business in accordance with Standing Order No 26

There was no urgent business.

98. Forward Plan Omission - Sale and Leaseback White Hart Road

The Lord Mayor advised that council is required to note this matter which it duly did.

99. Recommendations from the Cabinet Meeting held on 8 December in respect of items 8 and 9**Minute 62 - Revenue Budget Monitoring 2016/17 (2nd Quarter) to end September 2016**

This was opposed.

It was

Proposed by Councillor Donna Jones
Seconded by Councillor Jim Fleming

That the recommendations contained in the report entitled "Revenue Budget Monitoring 2016/17 (2nd Quarter) to end September 2016" be agreed.

The Leader advised that this item had been opposed to allow for a debate. She said that the overspend for Adults and Children's Services had reduced dramatically and thanked the finance team and the two cabinet members concerned. There were no amendments.

Following debate, upon the original recommendations from Cabinet being put to the vote, these were CARRIED.

RESOLVED that

- (i) The forecast outturn position for 2016/17 be noted:**
 - (a) An overspend of £418,600 before further forecast transfers from/(to) Portfolio Specific Reserves & Ring Fenced Public Health Reserve**
 - (b) An overspend of £33,300 after further forecast transfers from/ (to) Portfolio Specific Reserves & Ring Fenced Public Health Reserve.**
- (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 2017/18 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 2017/18 Portfolio cash limit will be managed to avoid further overspending during 2017/18.**

Minute 63 - New Sports and Leisure Contracts - Prudential Borrowing Requirement

This was opposed to allow for debate.

It was

Proposed by Councillor Donna Jones
Seconded by Councillor Luke Stubbs

That the recommendations contained in the report be approved.

The Leader congratulated Councillor Linda Symes and all the officers involved on an outstanding piece of work. There were no amendments,

Following debate upon being put to the vote the original recommendations from Cabinet were CARRIED.

RESOLVED that the following be approved:

- (1) **The currently approved Capital Programme 2015/16 to 2020/21 is updated to include the capital scheme "Sports and Leisure Facilities Investment" at an estimated cost of £2.4m.**
- (2) **Following completion of a comprehensive financial appraisal, approved by the Director of Finance & S151 Officer demonstrating that the additional reduction in cost arising from the investment can significantly exceed the associated borrowing costs over the life of the contract, that the cost of the scheme be financed from Prudential Borrowing.**

Minute 64 - Portsmouth City Council Revenue Budget 2017/18 - Savings Proposals

This was opposed.

It was

Proposed by Councillor Donna Jones
Seconded by Councillor Luke Stubbs

That the recommendations contained in Cabinet minute 64 - Portsmouth City Council Revenue Budget 2017/18 - Savings Proposals be approved.

Councillor Donna Jones spoke on the budget proposals which had been produced by the Conservative group. She placed on record her thanks to

UKIP for their participation, suggestions and opinions during the budget process. She also placed on record her thanks to the two Independent members, Councillor Godier and Councillor John Ferrett.

The Leader advised that the proposed cut to funding for trade union officials in the sum of £75,000 would be reduced by 50% to £37,500 as a result of the unions explaining the impact of the reduction in funding at the Staff Joint Committee and discussions that took place at the Employment Committee.

The Leader placed on record her huge thanks to Chris Ward, Julian Pike and cabinet members for their work on the budget.

As an amendment it was

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

That the recommendations set out in Appendix 1 to these minutes (Liberal Democrat Revenue Amendment) be adopted.

Councillor Gerald Vernon-Jackson spoke to his group's proposed budget amendment. He expressed his thanks to all officers and members who had input into the budget. He commended the Liberal Democrat group's proposed budget amendments to the council.

As an amendment it was

Proposed by Councillor Colin Galloway
Seconded by Councillor Julie Bird

That the recommendations set out in Appendix 2 attached to these minutes (UKIP Revenue Amendment) be adopted. He said that UKIP had worked with the administration to try to meet evermore challenging circumstances. He commended the proposed UKIP amendment to the council.

As an amendment it was

Proposed by Councillor Stephen Morgan
Seconded by Councillor Yahiya Chowdhury

That the recommendations set out in Appendix 3 attached to these minutes (Labour Revenue Amendment) be adopted. Councillor Morgan then spoke to his group's proposed budget amendments and commended them to the council.

Council adjourned at 4.15 pm.

Council resumed at 4.40 pm.

Following debate, the Lord Mayor called upon the Leader of the Council, Councillor Donna Jones to sum up. Councillor Jones said that she did not

propose to accept either the Liberal Democrat group or the Labour group amendments. However she was happy to subsume the UKIP amendment into the budget proposals.

The Lord Mayor advised that the amendments to the revenue budget would be voted on using the recorded vote method in accordance with the regulations.

Upon the Labour group amendment standing in the name of Councillor Stephen Morgan being put to the vote, the following members voted in favour:

Councillors Yahiya Chowdhury
John Ferrett
Stephen Morgan

The following members voted against:

| | |
|------------------------|----------------|
| Councillors Julie Bird | Frank Jonas |
| Simon Boshier | Donna Jones |
| Jennie Brent | Ian Lyon |
| Ryan Brent | Lee Mason |
| Alicia Denny | Gemma New |
| Ken Ellcome | Rob New |
| Jim Fleming | Stuart Potter |
| Colin Galloway | Luke Stubbs |
| Paul Godier | Linda Symes |
| Scott Harris | David Tompkins |
| Steve Hastings | Steve Wemyss |
| Hannah Hockaday | Neill Young |

The following members abstained:-:

| | |
|---------------------------|-----------------------|
| Councillors David Ashmore | Will Purvis |
| Ben Dowling | Darren Sanders |
| Suzy Horton | Lynne Stagg |
| Lee Hunt | Gerald Vernon-Jackson |
| Leo Madden | Matthew Winnington |
| Hugh Mason | Rob Wood |
| Steve Pitt | Tom Wood |

The Labour group amendment was therefore LOST.

Upon the Liberal Democrat amendment standing in the name of Councillor Gerald Vernon-Jackson being put to the vote the following members voted in favour:

| | |
|---------------------------|-----------------------|
| Councillors David Ashmore | Will Purvis |
| Ben Dowling | Darren Sanders |
| Suzy Horton | Lynne Stagg |
| Lee Hunt | Gerald Vernon-Jackson |
| Leo Madden | Matthew Winnington |
| Hugh Mason | Rob Wood |

Steve Pitt

Tom Wood

The following members voted against

| | |
|------------------------|----------------|
| Councillors Julie Bird | Frank Jonas |
| Simon Boshier | Donna Jones |
| Jennie Brent | Ian Lyon |
| Ryan Brent | Lee Mason |
| Alicia Denny | Gemma New |
| Ken Ellcome | Rob New |
| John Ferrett | Stuart Potter |
| Jim Fleming | Luke Stubbs |
| Colin Galloway | Linda Symes |
| Paul Godier | David Tompkins |
| Scott Harris | Steve Wemyss |
| Steve Hastings | Neill Young |
| Hannah Hockaday | |

The following members abstained:

Councillors Yahiya Chowdhury
Stephen Morgan

The Liberal Democrat amendment standing in the name of Councillor Gerald Vernon-Jackson was therefore LOST.

Upon the recommendations from Cabinet including the UKIP amendment being put to the vote, the following members voted in favour of the substantive motion:

| | |
|------------------------|----------------|
| Councillors Julie Bird | Frank Jonas |
| Simon Boshier | Donna Jones |
| Jennie Brent | Ian Lyon |
| Ryan Brent | Lee Mason |
| Alicia Denny | Gemma New |
| Ken Ellcome | Rob New |
| John Ferrett | Stuart Potter |
| Jim Fleming | Luke Stubbs |
| Colin Galloway | Linda Symes |
| Paul Godier | David Tompkins |
| Scott Harris | Steve Wemyss |
| Steve Hastings | Neill Young |
| Hannah Hockaday | |

The following members voted against the proposal:

| | |
|---------------------------|-----------------------|
| Councillors David Ashmore | Steve Pitt |
| Yahiya Chowdhury | Will Purvis |
| Ben Dowling | Darren Sanders |
| Suzy Horton | Lynne Stagg |
| Lee Hunt | Gerald Vernon-Jackson |

Leo Madden
Hugh Mason
Stephen Morgan

Matthew Winnington
Rob Wood
Tom Wood

There were no abstentions.

This was therefore CARRIED.

RESOLVED

- (1) That the following be approved:**
- (a) The Medium Term Financial Strategy set out in Section 8**
 - (b) That the Council's Budget for 2017/18 be prepared on the basis of a 3.99% Council Tax increase**
 - (c) 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 otherwise unfunded cost pressures.**
 - (d) The savings proposals for each Portfolio amounting, in total, to £9m for 2017/18 and continuing into future years as set out in Appendix A to enable appropriate consultation and notice periods to be given to affected parties**
 - (e) That the criteria for the use of the Voluntary Sector Capacity & Transition Fund be replaced with the following:**
 - i) Overall fit with the Council's objectives - providing services consistent with the Council's responsibilities that are not replicated elsewhere**
 - ii) Integration and/or collaboration with other voluntary sector partners - demonstrating a willingness to transform and build voluntary sector capacity on a sustainable basis**
 - iii) Deliverability - proposals are costed robustly and plans demonstrate that they can be confidently delivered**
 - iv) Sustainability - a single application for a 1 year, 2 year or 3 year award which demonstrates an operating model that will endure without further funding from the Council**
 - v) Cost Avoidance - illustration of how the proposal avoids costs elsewhere "in the system" and / or improves the integration and efficiency of the voluntary sector as a whole**

- vi) **Potential for further Transformation - the extent to which the proposal could drive further transformation and capacity of the voluntary sector in the future**
 - vii) **Wider economic impacts**
- (f) **That Officers, through the Cabinet, be requested to prepare a feasibility study into the potential benefits and cost savings associated with the geo-stamping¹ (otherwise known as geo-tagging) of photos for contracted works undertaken to Council properties. The aim is to ensure that works are undertaken to time and specification and obtain the necessary documentation for any contractual deductions should the works undertaken prove unsatisfactory. The study to also include any necessary outline business case for its implementation. In the event that the feasibility study demonstrates a sufficiently compelling case and with a strong financial payback, that a project team is established to prepare a detailed business case and project plan and to be funded from the MTRS Reserve; should any capital investment be required, then this to be considered either for Prudential Borrowing or at the next available review of the Capital Programme. Any resulting on-going revenue savings to be used to contribute towards the future savings requirements of the Council.**
- (g) **That Officers through the Cabinet be requested to prepare a map of all the assets owned and operated by the City Council and overlaid with a map of the locations of services provided by the Voluntary and Community Sector as a means to identify opportunities for co-located and integrated working, potentially releasing savings for both parties in premises and transport related costs, reducing duplication and providing more seamless services for residents. Should opportunities be identified, then a business case to be prepared which, if sufficiently compelling in both operational and financial terms, is used as the basis of implementing any such opportunities and the projects funded from the MTRS Reserve. Any resulting on-going revenue savings to be used to contribute towards the future savings requirements of the Council**
- (2) **That the following be noted:**
- (a) **The Budget Savings Requirement for 2017/18 of £9m approved by the City Council was based on a Council Tax increase of 3.99%; each 1% change (increase or decrease) in the Council Tax results in a change to the savings requirement of £652,000²**

¹ Geo-stamping software records the time and location on a mobile device without the need for a phone signal providing visibility of activities undertaken

² Tax increases will be subject to Council Tax referendum thresholds which are at this stage

- (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 1 (d) 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 1(d)**
- (e) The Local Council Tax Support Scheme for 2017/18 was approved by the City Council on 15 November 2016, the associated savings are now reflected in the overall savings requirement of £9m; the scheme itself has now been approved and that scheme is not the subject of this report, the proposals in this report simply reflect the associated budget position**
- (f) 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**
- (g) 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**
- (h) Managers will commence the implementation of the approved savings required and any necessary consultation process or notice process**
- (i) 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)**
- (j) 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 10.15 of the report**

- (k) **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.**

[Please note that with regard to the inclusion of the UKIP amendments in (1)(f) and (g) above

- (1) *The Section 151 Officer advised that in his opinion the proposals contained within this amendment do not present any additional risk to the delivery of the overall savings amounts required for the budget 2017/18 and*
- (2) *The City Solicitor is content with the proposals set out in the amendment.]*

The Lord Mayor said that this concluded the budget debate.

100. Questions from Members under Standing Order No 17

There were no questions from members..

At the end of the meeting, the Lord Mayor took the opportunity to thank those members who had made cakes for the Council Meetings and wished everyone a Happy Christmas.

The meeting concluded at 6.45 pm.

.....
Lord Mayor

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AGENDA ITEM 10 - Portsmouth City Council Revenue Budget 2017/18 - Savings Proposals

Amendment to Cabinet recommendations attached.

Proposed by (Name) GERALD VERNON-JACKSON

Signed _____

Seconded by (Name) HUGH MASON

Signed _____

Amendment proposed by the Liberal Democrat Group

Portsmouth City Council Revenue Budget 2017/18 - Savings Proposals

That the recommendations of the Cabinet of 8th December 2016 (Minute 64/16) on "Portsmouth City Council Revenue Budget 2017/18 - Savings Proposals" be amended as follows:-

Recommendation 1 of the Cabinet be amended as follows:-

- (d) The savings proposals for each Portfolio amounting, in total, to £9.0m for 2017/18 and continuing into future years as set out in Appendix A of the report to enable appropriate consultation and notice periods to be given to affected parties be replaced as follows:

| Portfolio/Committee | 2017/18 | 2018/19 & Future Years |
|--|------------------|------------------------|
| | £ | £ |
| Children's Social Care | 300,000 | 300,000 |
| Culture, Leisure and Sport | 331,600 | 331,600 |
| Education | 193,700 | 193,700 |
| Environment and Community Safety | (1,000) | (1,000) |
| Governance, Audit and Standards | 30,000 | 30,000 |
| Health and Social Care - Adult Social Care | 1,307,000 | 1,307,000 |
| Health and Social Care - Public Health | 558,300 | 492,300 |
| Housing | 129,000 | 129,000 |
| Planning Regeneration and Economic Development | 928,000 | 928,000 |
| Resources | 1,102,400 | 992,400 |
| Traffic and Transportation | 476,000 | 652,000 |
| Other Savings | 3,645,000 | 3,645,000 |
| Grand Total | 9,000,000 | 9,000,000 |

- (e) The criteria for the use of the Voluntary Sector Capacity & Transition Fund be developed more sympathetically by a cross party working group, to include the chair of the Voluntary Sector Forum or their representative with the aim of being more accessible and flexible than the current system. A report on the recommendations to be brought back to the Council meeting on the 14th February 2017.

Recommendation 2 of the Cabinet be amended as follows:-

- (c) The indicative savings proposals set out in Appendix B of the report which are provided for the purpose of demonstrating to the Council that the Portfolio savings as recommended in paragraph 1 (d) above are robust and deliverable be amended to include the following **additional indicative savings** proposals:

| Indicative Portfolio Savings Proposal | Impact on Level of Service & Service Outcomes | 2016/17 | 2017/18 & Future Years |
|---|--|----------|------------------------|
| | | £ | £ |
| <u>Resources</u> | | | |
| Delete 1 post in the Strategy Unit | Significant reduction in the Council's ability to manage and oversee its major risks and projects and the Council's overall performance management and governance arrangements. Capacity to deliver future transformation will also be diminished. Support to the following will be reduced or provided by other Services where appropriate: Health & Well Being Board, Children's Trust Board, Public Services Board, Health & Social Care Executive, Health Integration, External Funding Bids, Devolution, University Technical College, Multi Assessment Teams project, preparation for Inspections, Risk Management, Performance Management. | (40,000) | (40,000) |
| Reduction in support to the Leader's Office | Reduction in the availability and effectiveness of the Leader of the Council to promote the City and undertake Council duties | (42,000) | (42,000) |

| Indicative Portfolio Savings Proposal | Impact on Level of Service & Service Outcomes | 2016/17 | 2017/18 & Future Years |
|--|--|----------|------------------------|
| | | £ | £ |
| Reduce number of HR Business Partners by 1 full time equivalent member of staff | Business partners are the key HR support for directorates; capacity has previously been reduced at a senior level across the service. The council is going through significant change and business partner capacity is essential to both support change and enable the service to deliver and expand its commercial activities. A reduction in capacity will present a risk to the organisation, including an inability to deliver savings in other areas of the council and the risk of legal challenge. | (54,000) | (54,000) |
| Reduce PA's of Directors by 50% | Reduction in the capacity, availability and accessibility of Senior Officers. Senior Officers will spend a meaningful proportion of their time on administrative functions | (65,000) | (65,000) |
| Traffic & Transportation | | | |
| Re-instatement of MB Parking Zone to improve the current parking policy through the efficient management of on-street parking in the area and in accordance with the vote from residents | Expected to lead to additional parking demand in adjacent areas as a consequence of displacement. This is likely to generate further requests for residents parking schemes. | (34,000) | (49,000) |
| Re-instatement of MC Parking Zone to improve the current parking policy through the efficient management of on-street parking in the area and in accordance with the vote from residents | Expected to lead to additional parking demand in adjacent areas as a consequence of displacement. This is likely to generate further requests for residents parking schemes. | (75,000) | (98,000) |

| Indicative Portfolio Savings Proposal | Impact on Level of Service & Service Outcomes | 2016/17 | 2017/18 & Future Years |
|--|--|----------|------------------------|
| | | £ | £ |
| <p>Implementation of residents' car parking zones to improve the current parking policy through the efficient management of on-street parking and in the areas where residents have voted in favour of doing so.</p> <p><u>North Kings:</u> (Area 1 of the Five Zone Survey of Central Southsea 2014)</p> | <p>Expected to lead to additional parking demand in adjacent areas as a consequence of displacement. This is likely to generate further requests for resident's parking schemes.</p> | (14,000) | (44,000) |
| <p>Implementation of residents' car parking zones to improve the current parking policy through the efficient management of on-street parking and in the areas where residents have voted in favour of doing so.</p> <p><u>Owens Gardens</u> - boundary Grove Road South, Elm Grove, Merton/Nelson Road and Victoria Road South: (Area 2 of the Five Zone Survey of Central Southsea 2014)</p> | <p>Expected to lead to additional parking demand in adjacent areas as a consequence of displacement. This is likely to generate further requests for residents' parking schemes.</p> | (6,000) | (30,000) |
| <p>Implementation of residents' car parking zones to improve the current parking policy through the efficient management of on-street parking and in the areas where residents have voted in favour of doing so.</p> <p><u>South Kings:</u> (Area 3 of the Five Zone Survey of Central Southsea 2014)</p> | <p>Expected to lead to additional parking demand in adjacent areas as a consequence of displacement. This is likely to generate further requests for residents' parking schemes.</p> | (15,000) | (45,000) |

| Indicative Portfolio Savings Proposal | Impact on Level of Service & Service Outcomes | 2016/17 | 2017/18 & Future Years |
|---|---|------------------|------------------------|
| | | £ | £ |
| Implementation of residents' car parking zones to improve the current parking policy through the efficient management of on-street parking and in the areas where residents have voted in favour of doing so. <u>Boundary of Highland Road, Winter Road, Goldsmith Avenue and Francis Avenue:</u> (Area 5 of the Five Zone Survey of Central Southsea 2014) | Expected to lead to additional parking demand in adjacent areas as a consequence of displacement. This is likely to generate further requests for residents' parking schemes. | (52,000) | (106,000) |
| Total | | (397,000) | (573,000) |

(c) (i) In arriving at the savings proposals for each Portfolio as recommended in paragraph 1(d), the following amounts have been **added to cash limits** and, where applicable, the indicative savings proposals set out in Appendix B are deleted:

| Saving No. | Increases to Portfolio Cash Limits - Deletion of Indicative Savings | 2017/18 | 2018/19 & Future Years |
|---|--|---------|------------------------|
| | | £ | £ |
| Culture, Leisure & Sport | | | |
| New | Re-open Southsea Library on a Sunday | 12,000 | 12,000 |
| Education | | | |
| 020 | Re-instate cessation of Governor Services | 18,300 | 18,300 |
| Environment & Community Safety | | | |
| 023 | Re-instate voluntary sector grant payments to Portsmouth Area Rape Crisis (£3,000) and Portsmouth Mediation Service (£8,000) | 11,000 | 11,000 |
| New | Reinstate 50% the operation of the Hate Crime Prevention Service (Victim Support) which was discontinued from 2016/17 | 50,000 | 50,000 |

| Saving No. | Increases to Portfolio Cash Limits - Deletion of Indicative Savings | 2017/18 | 2018/19 & Future Years |
|-------------------------------------|---|----------------|------------------------|
| | | £ | £ |
| 026 | Re-instate (ahead of the re-building of Sea Defences) the reduction in reactive maintenance budget to the Sea Defences | 10,000 | 10,000 |
| New | Re-instatement of a fixed number of Free Bulky Waste Collections (means tested) | 10,000 | 10,000 |
| New | Provision of 10 Multi-Use Waste Bins located across the City | 7,000 | 7,000 |
| Health & Social Care | | | |
| 040 | Re-instate 50% of general staffing savings from existing vacancies throughout Adult Social Care | 75,000 | 75,000 |
| New | Increased support for drug and alcohol detox services | 43,700 | 109,700 |
| Housing | | | |
| 051 | Re-instate floating tenancy support for families | 50,000 | 50,000 |
| Resources | | | |
| 080 | Reduction In Trade Union Support - Reinstatement 50% of current provision for UNITE & UNISON | 28,000 | 28,000 |
| New | Grant to Off the Record | 20,000 | 20,000 |
| New | Remove £2 floor for Council Tax Support | 12,000 | 12,000 |
| New | Increase in pay for the lowest paid to the level of the Living Wage as defined by the Living Wage Foundation, subject to the approval of the Employment Committee | 0 | 110,000 |
| Traffic & Transportation | | | |
| New | Additional 6 School Crossing Patrol Officers to be flexibly deployed as required across crossings city-wide | 30,000 | 30,000 |
| New | Protection (i.e. subsidies) for non-commercial but valuable bus routes which otherwise would be withdrawn | 20,000 | 20,000 |
| Total | | 397,000 | 573,000 |

- (l) That the S151 Officer advises that, in his opinion, the proposals contained within this amendment do not present any additional risk to the delivery of the overall savings amounts required for the Budget 2017/18.
- (m) The City Solicitor is content with the proposals set out in this amendment.

NOTES TO THE LIBERAL DEMOCRAT AMENDMENT

Portsmouth City Council Revenue Budget 2017/18 - Savings Proposals

The overall financial effect of the proposals is set out below:

| | 2017/18 £ | 2018/19 & Future Years £ |
|---|--------------|--------------------------------------|
| Additional Savings Proposals: | (397,000) | (573,000) |
| Re-instatement of Savings Proposals and / or New Spending Proposals: | 397,000 | 573,000 |
| Total Overall Change | 0 | 0 |

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AGENDA ITEM 10 - Portsmouth City Council Revenue Budget 2017/18 - Savings Proposals

Amendment to Cabinet recommendations attached.

Proposed by (Name) COLIN GALLOWAY

Signed _____

Seconded by (Name) JULIE RIRD

Signed _____

Amendment proposed by the UKIP Group

Portsmouth City Council Revenue Budget 2017/18 - Savings Proposals

That the recommendations of the Cabinet of 8th December 2016 (Minute 64/16) on "Portsmouth City Council Revenue Budget 2017/18 - Savings Proposals" be amended as follows:-

Recommendation 1 of the Cabinet be amended as follows:-

- (f) That Officers, through the Cabinet, be requested to prepare a feasibility study into the potential benefits and cost savings associated with the geo-stamping¹ (otherwise known as geo-tagging) of photos for contracted works undertaken to Council properties. The aim is to ensure that works are undertaken to time and specification and obtain the necessary documentation for any contractual deductions should the works undertaken prove unsatisfactory. The study to also include any necessary outline business case for its implementation. In the event that the feasibility study demonstrates a sufficiently compelling case and with a strong financial payback, that a project team is established to prepare a detailed business case and project plan and to be funded from the MTRS Reserve; should any capital investment be required, then this to be considered either for Prudential Borrowing or at the next available review of the Capital Programme. Any resulting on-going revenue savings to be used to contribute towards the future savings requirements of the Council.
- (g) That Officers, through the Cabinet, be requested to prepare a map of all assets owned and operated by the City Council and overlaid with a map of the locations of services provided by the Voluntary and Community Sector as a means to identify opportunities for co-located and integrated working, potentially releasing savings for both parties in premises and transport related costs, reducing duplication and providing more seamless services for residents. Should opportunities be identified, then a business case to be prepared which, if sufficiently compelling in both operational and financial terms, is used as the basis of implementing any such opportunities and the projects funded from the MTRS Reserve. Any resulting on-going revenue savings to be used to contribute towards the future savings requirements of the Council

¹ Geo-stamping software records the time and location on a mobile device without the need for a phone signal providing visibility of activities undertaken

Recommendation 2 of the Cabinet be amended as follows:-

- (l) That the S151 Officer advises that, in his opinion, the proposals contained within this amendment do not present any additional risk to the delivery of the overall savings amounts required for the Budget 2017/18.
- (m) The City Solicitor is content with the proposals set out in this amendment.

NOTES TO THE UKIP AMENDMENT

Portsmouth City Council Revenue Budget 2017/18 - Savings Proposals

The overall financial effect of the proposals is set out below:

| | 2017/18 | 2018/19 & Future Years |
|---|----------------|---|
| | £ | £ |
| Additional Savings Proposals: | 0 | 0 |
| Re-instatement of Savings Proposals and / or New Spending Proposals: | 0 | 0 |
| Total Overall Change | 0 | 0 |

AGENDA ITEM 10 - Portsmouth City Council Revenue Budget 2017/18 - Savings Proposals

Amendment to Cabinet recommendations attached.

Proposed by (Name) CLLR STEPHEN MORGAN

Signed _____

Seconded by (Name) CLLR YAHYA CHOWDHURY

Signed _____

Amendment proposed by the Labour Group

Portsmouth City Council Revenue Budget 2017/18 - Savings Proposals

That the recommendations of the Cabinet of 8th December 2016 (Minute 64/16) on "Portsmouth City Council Revenue Budget 2017/18 - Savings Proposals" be amended as follows:-

Recommendation 1 of the Cabinet be amended as follows:-

- (d) The savings proposals for each Portfolio amounting, in total, to £9.0m for 2017/18 and continuing into future years as set out in Appendix A of the report to enable appropriate consultation and notice periods to be given to affected parties be replaced as follows:

| Portfolio/Committee | 2017/18 | 2018/19 & Future Years |
|--|------------------|------------------------|
| | £ | £ |
| Children's Social Care | 300,000 | 300,000 |
| Culture, Leisure and Sport | 343,600 | 343,600 |
| Education | 212,000 | 212,000 |
| Environment and Community Safety | 87,000 | 87,000 |
| Governance, Audit and Standards | 30,000 | 30,000 |
| Health and Social Care - Adult Social Care | 1,061,000 | 1,061,000 |
| Health and Social Care - Public Health | 602,000 | 602,000 |
| Housing | 179,000 | 179,000 |
| Planning Regeneration and Economic Development | 928,000 | 928,000 |
| Resources | 1,282,400 | 1,282,400 |
| Traffic and Transportation | 330,000 | 330,000 |
| Other Savings | 3,645,000 | 3,645,000 |
| Grand Total | 9,000,000 | 9,000,000 |

The following be added to recommendation (e)

- (e) **viii)** Provides services that are dedicated to deliver or support the delivery of the Adult Social Care responsibilities of the Council

- (f) That Officers, through the Cabinet, be requested to investigate further opportunities for joint working with other Local Authorities in order to maximise the potential to make savings whilst improving the overall capacity and resilience of council services; further that any associated savings be re-invested into Adult Social Care to meet their rising cost and demographic pressures
- (g) That Officers, through the Cabinet, be requested to prepare a feasibility study including an outline business case for becoming a "paperless organisation". In the event that the feasibility study demonstrates a sufficiently compelling case and with a strong financial payback, that a project team is established to prepare a detailed business case and project plan to be funded from the MTRS Reserve; should any capital investment be required, then this to be considered either for Prudential Borrowing or at the next available review of the Capital Programme. Any resulting on-going revenue savings to be re-invested into Adult Social Care to meet their rising cost and demographic pressures.

Recommendation 2 of the Cabinet be amended as follows:-

- (c) The indicative savings proposals set out in Appendix B of the report which are provided for the purpose of demonstrating to the Council that the Portfolio savings as recommended in paragraph 1 (d) above are robust and deliverable be amended to include the following **additional indicative savings** proposals:

| Indicative Portfolio Savings Proposal | Impact on Level of Service & Service Outcomes | 2017/18 | 2018/19 & Future Years |
|--|---|----------|------------------------|
| | | £ | £ |
| <u>Resources</u> | | | |
| 20% Reduction in the Basic Councillor Allowance* | A reduction in allowances may cause the future recruitment of Councillors to be more challenging | (80,000) | (80,000) |
| 25% Reduction in the Special Responsibility Allowance* | A reduction in allowances may discourage Councillors from accepting Cabinet or Committee posts | (20,000) | (20,000) |
| A reduction in Cabinet Members from 9 to 7 ** | A re-organisation of the portfolios of Cabinet Members such that some (or all) of the remaining Cabinet Members take on | 0** | 0** |

| Indicative Portfolio Savings Proposal | Impact on Level of Service & Service Outcomes | 2017/18 | 2018/19 & Future Years |
|---|--|------------------|------------------------|
| | | £ | £ |
| | increased responsibilities. | | |
| A move to 'All Out' (whole Council) Elections*** | Election of members would take place once every four years | 0*** | 0*** |
| Reduction in support to the Leader's Office | Reduction in the availability and effectiveness of the Leader of the Council to promote the City and undertake Council duties | (42,000) | (42,000) |
| Reduce number of HR Business Partners by 1 full time equivalent member of staff | Business partners are the key HR support for directorates; capacity has previously been reduced at a senior level across the service. The council is going through significant change and business partner capacity is essential to both support change and enable the service to deliver and expand its commercial activities. A reduction in capacity will present a risk to the organisation, including an inability to deliver savings in other areas of the council and the risk of legal challenge. | (54,000) | (54,000) |
| Reduce PA's of Directors by 50% | Reduction in the capacity, availability and accessibility of Senior Officers. Senior Officers will spend a meaningful proportion of their time on administrative functions | (65,000) | (65,000) |
| Reduce role and function of communications team | Limited ability to respond to the media, provide information to the public and run campaigns. Potential negative impact on income and access to services | (60,000) | (60,000) |
| Total | | (321,000) | (321,000) |

* Members should have regard to the report of the Independent Remuneration Panel and recommendations of Council on 22nd January 2013 as amended by the City Council on 15 July 2014.

** Members should note that, in accordance with the Local Government Act 2000, this is a decision for the Leader of the Council not the Council itself. In the event that the Leader elects to take such a decision, the savings amount will increase by £15,000.

*** The required process for moving to whole council elections would be as follows

- I. Full Council resolves to undertake public consultation as the Council thinks appropriate on any proposed change
- II. Have regard to the outcome of the consultation before making its decision
- III. Convene a special meeting of the Council
- IV. Full Council must pass a resolution by a two-thirds majority of those voting at that Special meeting
- V. The resolution must specify the commencement year (earliest date would be May 2018)
- VI. The resolution is the means by which the term of office is reduced for any members whose term would not be completed
- VII. Any election(s) scheduled to take place before the start date indicated in the Council's resolution would continue as normal
- VIII. An explanatory document on the decision must be published after the resolution is made
- IX. The Council must notify the Boundary Commission of the scheme adopted and the commencement year
- X. If the Council resolves to change to whole council elections, the decision cannot be reversed until five years from the date of the resolution

The earliest implementation date would be from May 2018 and the saving is estimated to be **£43,000 per annum**.

The relevant legislation is contained in sections 32-36 of the Local Government and Public Involvement in Health Act 2007 (as amended by the Localism Act 2011)

(c) (i) In arriving at the savings proposals for each Portfolio as recommended in paragraph 1 (d), the following amounts have been **added to cash limits** and, where applicable, the indicative savings proposals set out in Appendix B are deleted:

| Saving No. | Increases to Portfolio Cash Limits - Deletion of Indicative Savings and/or New Spending Proposals | 2017/18 | 2018/19 & Future Years |
|--------------|--|-----------------|------------------------|
| | | £ | £ |
| New | To invest in Adult Social Care in order to respond to increases in both cost and demand for care services arising from the general growth in the elderly population and the increase in complexity of care needs | 321,000* | 321,000* |
| Total | | 321,000* | 321,000* |

- * In the event that the Leader accepts the proposal to reduce the number of Cabinet Members from 9 to 7, then the amount available for this proposal will increase by £15,000 from 2017/18 onwards

In the event that Council resolves to implement whole Council elections then the amount available for this proposal would further increase by £43,000 per annum from 2018/19 onwards

- (l) That the S151 Officer advises that, in his opinion, the proposals contained within this amendment do not present any additional risk to the delivery of the overall savings amounts required for the Budget 2017/18.
- (m) The City Solicitor is content with the proposals set out in this amendment.

NOTES TO THE LABOUR AMENDMENT

Portsmouth City Council Revenue Budget 2017/18 - Savings Proposals

The overall financial effect of the proposals is set out below:

| | 2017/18 £ | 2018/19 & Future Years £ |
|---|--------------|--------------------------------------|
| Additional Savings Proposals: | (321,000) | (321,000) |
| Re-instatement of Savings Proposals and / or New Spending Proposals: | 321,000 | 321,000 |
| Total Overall Change | 0 | 0 |

Note:

This amendment also earmarks £475,000 from the Voluntary Sector Capacity and Transition Fund towards meeting Adult Social Care responsibilities

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AGENDA ITEM 5 - ADMINISTRATION'S RESPONSE TO THE OFF THE RECORD PETITION

The Council welcomes the opportunity to discuss Off The Record as we have at recent council meetings.

The City Council is committed to a vibrant voluntary and third sector. By building social capital in communities across the city, we hope to improve outcomes for vulnerable people and to reduce demand for expensive statutory services. The council is pleased to note the relocation from Havant to Portsmouth of the children's charity 'Beat The Bullies' and 'Friend Finders'. Both provide support for children and young people to assist them with tackling some of the most complex issues that arise especially in schools.

The City Council notes that the provision of mental health services rests with the NHS and that Portsmouth CCG has received £406,773 per annum for children's and young people's mental health services as part of the Future in Mind programme. This includes counselling services, which will be supplied by Relate. The council notes that the most recent contract to be lost by Off The Record, was in fact not a council contract but a CCG contract. The City Council has not funded Off The Record since the budget set by the previous administration in February 2014; a bid for transition funding was rejected in March 2014. A number of meetings with councillors and council staff have taken place within the last few months, but to date no viable business plan has been submitted.

As part of the austerity programme, the City Council has had to make savings equivalent to 47% of its revenue budget. Even so it has been able to establish a fund to provide support to the voluntary sector. By using this fund and its other resources, the council has been able to ensure the continuation of the Recovery Café and Dial-a-Ride and has been able to secure counselling services for adults. Whilst the council has relaxed the criteria for use of the VSTF, it is imperative that a charity or not for profit is sustainable beyond the one year council funding. The Council is pleased to note an example of a recent reward and success from this fund is the fact that the good work of Portsmouth Counselling Service will continue under a new agreement with the YOU Trust.

The City Council welcomes bids to the voluntary sector transformation fund and will continue to provide support where the criteria agreed by Full Council are met.

Proposed by (Name) Donna Jones

Signed _____


Seconded by (Name) Simon BOSHET

Signed _____


Agenda Item 8



Portsmouth
CITY COUNCIL

Agenda item:

Decision maker: City Council

Subject: Portsmouth City Council - Budget & Council Tax 2017/18 & Medium Term Budget Forecast 2018/19 to 2020/21

Date of decision: 9 February 2017 (Cabinet)
14 February 2017 (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 The proposals within this report recommend a Budget for 2017/18 that provides for £9m of savings, a Council Tax increase of 4.99% (3% of which is raised specifically to be passported to Adult Social Care) and forecasts that the 3 year period beyond 2017/18 will require a further £12m in savings.
- 1.2 These proposals are made in the context of an improving economy but where the public finances of the country still need to be repaired and, as a consequence, funding reductions to Local Government will continue to 2020. In parallel, the largest spending services of Local Government services (such as Adult Social Care and Children's Social Care) face continued and significant cost pressures.
- 1.3 Over the past 6 years (since 2011/12), Central Government funding to Portsmouth City Council has reduced by over £68m (amounting to a funding reduction of 44%). Taken together with other financial pressures, total savings over the period of £86m have been made by the Council, representing circa 42% of the Council's controllable spending.
- 1.4 The Government published the provisional Local Government Finance Settlement 2017/18 in December 2016 and it is in line with the accepted 4 Year Settlement. In overall terms, the Settlement includes a further reduction in Government Funding over the three year period 2017/18 to 2019/20 of £16.5m representing a further

funding reduction of 36%. Whilst a £16.5m funding reduction remains of serious concern, it is broadly in line with the Council's forecasts and therefore there is no need to seek any further savings beyond those approved at the December 2016 Council meeting.

- 1.5 The City Council made a series of Budget decisions in December 2016 that were strongly aligned with the new Medium Term Financial Strategy. The approved savings proposals were focussed on an "Avoidance to Cuts" approach with a strong emphasis on efficiency and entrepreneurial activities as a means to generate income. In overall terms, the proposed £9m of savings comprised:
- Efficiency Savings (little or no reduction in Services) £6.7m (74%)
 - Additional Income £1.4m (16%)
 - Service Reductions £0.9m (10%)
- 1.6 The approved savings also provided significant protection to the spending of Adults Social Care and Children's Social Care although cost pressures remain significant in those areas.
- 1.7 Taking 2017/18 together with the savings in previous years will mean that the Council will have achieved £95m of savings and efficiencies equating to 47% of the Council's controllable spending.
- 1.8 The decisions made by Council in December 2016 were predicated on an increase in Council Tax of 3.99% in 2017/18 (comprising 1.99% for General Purposes and 2.0% for Adult Social Care).
- 1.9 The Council is a low taxing Authority and currently taxes at a level that is approximately £6.0m per annum less than the average Unitary Authority within its statistical neighbour group, a gap which if closed would reduce the Savings Requirements of the Council by the same sum. Importantly however, Council Tax now represents almost 45% of the Council's total revenue funding and as Government funding has reduced, this has become an increasingly more important and dependent funding source for the Council. Council Tax rises alone however, are not sufficient to meet even the basic inflationary cost increases of the Council's services.
- 1.10 Government have announced that the general allowable threshold for a Council Tax increase in 2017/18 will be 2%, any increase for General Purposes beyond this will be the subject of a "yes" vote in a local referendum.
- 1.11 Government have also recognised that there are significant cost pressures facing Adult Social Care and whilst Local Government will continue to be subject to further funding reductions, the level of Council Tax increase for the Adult Social Care precept for 2017/18 and 2018/19 has been confirmed at 3% (compared with the announcement in the Comprehensive Spending Review in December 2015 of 2% for each year). Whilst the threshold for 2017/18 and 2018/19 has been increased, the overall increase over the 3 year period to 2019/20 remains intact. Therefore, it is for Local Councils to agree how to profile the available 6% increase over the 3 year period 2017/18 to 2019/20 within an overall cap of 6% and an annual cap of 3% (for example 2%, 2% and 2% or alternatively 3%, 3% and 0%).

- 1.12 There remain unfunded cost pressures, both present and emerging, in Adult Social Care which amount to far in excess of the 3% precept flexibility (i.e. amounting to £2.0m). Setting a precept at a lower sum will inevitably result in additional service reductions to Adult Social Care services in 2017/18 and this decision therefore will be critical for Adult Social Care services and the wider health system in the City
- 1.13 Looking forward beyond 2017/18, the Council's future financial forecasts indicate a challenging position but, as a consequence of prudent financial management throughout previous years, the overall deficit is now improving with a forecast Budget Deficit over the period 2018/19 to 2020/21 of £12m. Government funding reductions and demand led cost pressures in the essential care services of Adult Social Care and Children's Social Care continue to be the driving forces contributing to the £12m forecast Budget Deficit.
- 1.14 The £12m forecast Savings Requirements for future years are proposed to be phased to have regard to a managed reduction in spending and service provision over a realistic period as set out below:

| | Revised Underlying Budget Deficit | Revised In Year Target | Revised Cumulative Saving |
|---------|--|---------------------------------------|--|
| | £m | £m | £m |
| 2018/19 | 3.9 | 4.0 | 4.0 |
| 2019/20 | 8.9 | 4.0 | 8.0 |
| 2020/21 | 11.4 | 4.0 | 12.0 |

- 1.15 Despite funding reductions and cost pressures and the need to protect core services to residents, the Council still has an important role in stimulating the local economy.
- 1.16 The Council has the opportunity through its capital programme and borrowing powers to invest in both the regeneration of the City (to raise prosperity generally as well as improving the Council's financial position) and cost reduction schemes for the Council itself.
- 1.17 There are significant proposals within this report to supplement the capital resources available for investment, including the transfer of £3.5m from the Revenue Budget in 2016/17 by bringing forward the implementation of the Council's strategy to take a "Debt Repayment Holiday" (originally planned for 2017/18). This saving amounts to £3.1m and is proposed to be used to contribute additional funding for the Council's commitments to schemes such as the Southsea Sea Defences (total scheme value of £89m), School Places and the City Centre Re-development.
- 1.18 Furthermore, with generally available annual capital funding of £10m versus core capital investment obligations and aspirations over the next 1 to 2 years of between £22m to £39m, there is a huge shortfall to be met. Proposals within the report therefore provide for any further underspendings that arise at year end to be

transferred to supplement the Council's capital resources to enable the Council to meet its statutory obligations and also to transform the City's growth potential.

1.19 The proposals contained within the December 2016 report and this report, now culminating in the proposed Budget for 2017/18, will:

- Provide a suite of savings amounting to £9m of which the vast majority relate to either efficiency savings (£6.7m) or additional income (£1.4m) leaving just £0.9m, or 10%, to be achieved through service reductions
- In accordance with the Budget Consultation, provide significant protection from savings to both Adults Social Care and Children's Social Care
- Provide for an overall Council Tax increase of 4.99% in 2017/18 comprising 1.99% for General Purposes and 3.0% (amounting to £2.0m) to be passported direct to Adult Social Care (ASC) services.
- Provide assurance that with a 3% increase in Council Tax for Adult Social Care, that existing and emerging cost pressures can be met therefore avoiding any further reductions to those services in 2017/18 which is critical for Adult Social Care services and the wider health system in the City
- Provide real growth in funding to Adult Social Care (after passporting the ASC Precept and New Burdens Funding)
- Require that for 2018/19 a minimum on-going savings sum of £4.0m be made
- Transfer £3.0m (from 2016/17 underspendings) to the MTRS Reserve recognising this as the Council's primary vehicle for providing funding for Spend to Save initiatives
- Supplement the Capital Resources available in 2017/18 by making a £3.5m transfer from Revenue in 2016/17 from savings achieved from the early implementation of the "Debt Repayment Holiday" to support the Capital Programme where there remains an enormous gap between Service needs, regeneration aspirations and the associated level of capital resources available
- Provide for any further underspendings in 2016/17 arising at the year-end (outside of those made by Portfolios) to be transferred to Capital Resources in order to provide funding for known future requirements such as Secondary School Places, Sea Defences and enabling infrastructure for the City's development

1.20 It remains a particularly challenging time for the Council, the future savings required are substantial and funding risks remain. Nevertheless, the proposals contained within this report ensure that the Budget for 2017/18 is financially balanced and that resources are targeted in accordance with the Council's Medium Term Financial Strategy. This provides the Council with assurance that its financial health will remain sound and that it can maintain a good degree of resilience against an uncertain future.

2. Purpose of Report

- 2.1 The primary purpose of this report is to set the Council's overall Budget for the forthcoming year 2017/18 and the associated level of Council Tax necessary to fund that Budget.
- 2.2 The report makes recommendations on the level of Council spending for 2017/18 and the level of Council Tax in the context of the Council's recently refreshed Medium Term Financial Strategy with its stated aim as follows:



OVERALL AIM

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

- 2.3 The recommended Budget for 2017/18 has been prepared on the basis of the decisions taken by the City Council on the 13th December 2016 relating to:
- The Council Tax proposals for the general increase as well as the additional flexibility to increase Council Tax for Adults Social Care Services
 - The approved budget savings amounting to £9m
- 2.4 This report also provides a comprehensive revision of the Council's rolling 3 year financial forecast for the new period 2018/19 to 2020/21 (i.e. extending the forecast to 2020/21) considering the future outlook for both spending and funding. In that context, wider recommendations are made regarding the levels of reserves to be maintained and additional contributions to the Capital Programme in order to meet the Council's aspirations for the City as well as maintaining the Council's overall financial strength.

2.5 In particular, this report sets out the following:

- (a) The challenging but improving financial climate facing the City Council in 2017/18 and beyond and the consequential budget deficits that result
- (b) A brief summary of the Medium Term Financial Strategy for achieving the necessary savings as refreshed by the Council in December 2016
- (c) A brief recap of the budget decisions taken by the City Council at its meeting of the 9th December 2016
- (d) The Revised Revenue Budget and Cash Limits for the current year
- (e) The Local Government Finance Settlement for 2017/18 to 2019/20
- (f) The Business Rate income for 2017/18 and future years
- (g) The Council Tax base and recommended Council Tax for 2017/18
- (h) The forecast Collection Fund balance as at 31 March 2017 for both Council Tax and Business Rates
- (i) The proposed Revenue Budget and Cash Limits for 2017/18
- (j) The forecast Revenue Budget and revised Savings Requirements for 2018/19, 2019/20 and 2020/21
- (k) Estimated General Reserves over the period 2016/17 to 2020/21
- (l) The Medium Term Resource Strategy (MTRS) Reserve, its financial position and proposed use to achieve cashable efficiencies
- (m) The statement of the Section 151 Officer on the robustness of the budget in compliance with the requirements of the Local Government Act 2003.

3. Recommendations

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

- (a) The revised Revenue Estimates for the financial year 2016/17 and the Revenue Estimates for the financial year 2017/18 as set out in the General Fund Summary (Appendix A)
- (b) The Portfolio Cash Limits for the Revised Budget for 2016/17 and Budget for 2017/18 as set out in Sections 7 and 9, respectively
- (c) That £3.5m be transferred to the Revenue Reserve for Capital to supplement the resources available for the Capital Programme in order to ensure the Council can properly meet its statutory responsibilities including School Places, Sea Defences and potential match funding commitments for the City Centre Road
- (d) That £3.0m be transferred to the MTRS Reserve to restore it to a level sufficient to enable the Council to pursue both Spend to Save schemes, Invest to Save schemes and fund redundancy costs, all aimed at facilitating the Council's savings strategy

- (e) That £1.9m is carried forward from 2016/17 to 2017/18 in respect of contingent items that were expected to arise in 2016/17 but are now expected to occur in 2017/18
- (f) Any further underspendings for 2016/17 arising at the year-end outside of those made by Portfolios be transferred to Capital Resources in order to provide funding for known future commitments such as Secondary School Places, Sea Defences and the enabling transport infrastructure necessary for the City's development and growth which have, as yet, insufficient funding
- (g) Any variation to the Council's funding arising from the final Local Government Finance Settlement be accommodated by a transfer to or from General Reserves.
- (h) The S.151 Officer be given delegated authority to make any necessary adjustments to Cash Limits within the overall approved Budget and Budget Forecasts
- (i) That the level of Council Tax be increased by 1.99% for general purposes in accordance with the referendum threshold¹ for 2017/18 announced by Government (as calculated in recommendation 3.4 (d))
- (j) That the level of Council Tax be increased by a further 3.0% beyond the referendum threshold (as calculated in recommendation 3.4 (d)) to take advantage of the flexibility offered by Government to implement a "Social Care Precept"; and that in accordance with the conditions of that flexibility, the full amount of the associated sum generated of £2,022,300 is passported direct to Adult Social Care
- (k) Managers be authorised to incur routine expenditure against the Cash Limits for 2017/18 as set out in Section 9
- (l) That the savings requirement for 2018/19 be set at a minimum on-going sum of £4.0m
- (m) That the S.151 Officer be given delegated authority to make transfers to and from reserves in order to ensure that they are maintained as necessary and in particular, adjusted when reserves are no longer required or need to be replenished
- (n) Directors be instructed to start planning how the City Council will achieve the savings requirements shown in Section 10 and that this be incorporated into Service Business Plans
- (o) The minimum level of General Reserves as at 31 March 2017 be maintained at £7.0m (£7.0m in 2016/17) to reflect the known and expected budget and financial risks to the Council
- (p) Members have had regard for the Statement of the Section 151 Officer in accordance with the Local Government Act 2003 as set out in Section 13.

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

3.2 That the following be noted in respect of the Council's Budget:

- (a) The Revenue Estimates 2017/18 as set out in Appendix A have been prepared on the basis that the 3% tax increase for the "Social Care Precept" (amounting to £2,022,300) is passported to Adult Social Care in order to provide for otherwise unfunded budget pressures including the cost of the new National Living Wage and demographic pressures arising from a "living longer" population
- (b) The decision on the amount at which to set the Adult Social Care precept will be critical for the Social Care and wider Health system in the City; in the event that the additional flexibility of the "Social Care Precept" and associated 3% tax increase (amounting to £674,100 for each 1%) is not taken, then equivalent savings will need to be made in Adult Social Care in 2017/18
- (c) In general, any reduction from the 4.99% Council Tax increase proposed will require additional savings of £674,100 for each 1% reduction in order for the Budget 2017/18 to be approved
- (d) The Revenue Forecast for 2018/19 onwards as set out in Section 10 and Appendix B
- (e) The estimated Savings Requirement of £12m for the three year period 2018/19 to 2020/21, for financial and service planning purposes, be phased as follows:

| Financial Year | In Year Savings Requirement £m | Cumulative Saving £m |
|-----------------------|---|---------------------------------|
| 2018/19 | 4.0 | 4.0 |
| 2019/20 | 4.0 | 8.0 |
| 2020/21 | 4.0 | 12.0 |

- (f) The MTRS Reserve held to fund the upfront costs associated with Spend to Save Schemes, Invest to Save Schemes and redundancies will hold an uncommitted balance of £4.4m² and will only be replenished in future from an approval to the transfer of any underspends, contributions from the Revenue Budget or transfers from other reserves which may no longer be required
- (g) The Council Tax element of the Collection Fund for 2016/17 is estimated to be a surplus of £1,743,962 which is shared between the City Council (85%), Police & Crime Commissioner (11%) and the Hampshire Fire & Rescue Authority (4%)
- (h) The Business Rate element of the Collection Fund for 2016/17 is estimated to be a surplus of £3,017,262 which is shared between the City Council (49%), the Government (50%) and the Hampshire Fire & Rescue Authority (1%)
- (i) The Retained Business Rate income³ for 2017/18 (excluding "Top Up") based on the estimated Business Rate element of the Collection Fund surplus as at March 2017, the Non Domestic Rates poundage for 2017/18 and estimated rateable values for 2017/18 has been set at £43,648,937

² Including the transfer into the reserve of £3.0m contained with the recommendations in this report

³ Including the Portsmouth City Council element of the Collection Fund surplus of £1,478,458, S31 Grants of £2,217,322 and excluding the "Top Up" grant from Government of £5,984,004.

- 3.3 That the S.151 Officer has determined that the Council Tax base for the financial year 2017/18 will be **55,329.9** [item T in the formula in Section 31 B(1) of the Local Government Finance Act 1992, as amended (the “Act”)].
- 3.4 That the following amounts be now calculated by the Council for the financial year 2017/18 in accordance with Section 31 and Sections 34 to 36 of the Local Government Finance Act 1992:

| | | |
|-----|--------------|--|
| (a) | £463,193,930 | Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act. |
| (b) | £392,420,348 | Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act. |
| (c) | £70,773,582 | Being the amount by which the aggregate at 3.4 (a) above exceeds the aggregate at 3.4(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. (Item R in the formula in Section 31B(1) of the Act. |
| (d) | £1,279.12 | Being the amount at 3.4(c) above (Item R), all divided by Item 3.3 above (Item T), calculated by the Council, in accordance with Section 31B(1) of the Act, as the basic amount of its Council Tax for the year. |

(e) Valuation Bands (Portsmouth City Council)

| A £ | B £ | C £ | D £ | E £ | F £ | G £ | H £ |
|--------|--------|----------|----------|----------|----------|----------|----------|
| 852.75 | 994.87 | 1,137.00 | 1,279.12 | 1,563.37 | 1,847.62 | 2,131.87 | 2,558.24 |

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

- 3.5 That it be noted that for the financial year 2017/18 the Hampshire Police & Crime Commissioner is consulting upon the following amounts for the precept to be issued to the Council in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of the dwellings shown below:

Valuation Bands (Hampshire Police & Crime Commissioner)

| A £ | B £ | C £ | D £ | E £ | F £ | G £ | H £ |
|--------|--------|--------|--------|--------|--------|--------|--------|
| 110.31 | 128.69 | 147.08 | 165.46 | 202.23 | 239.00 | 275.77 | 330.92 |

- 3.6 That it be noted that for the financial year 2017/18 Hampshire Fire and Rescue Authority are recommending the following amounts for the precept issued to the Council in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of the dwellings shown below:

Valuation Bands (Hampshire Fire & Rescue Authority)

| A | B | C | D | E | F | G | H |
|----------|----------|----------|----------|----------|----------|----------|----------|
| £ | £ | £ | £ | £ | £ | £ | £ |
| 42.56 | 49.65 | 56.75 | 63.84 | 78.03 | 92.21 | 106.40 | 127.68 |

- 3.7 That having calculated the aggregate in each case of the amounts at 3.4(e), 3.5 and 3.6 above, the Council, in accordance with Sections 31A, 31B and 34 to 36 of the Local Government Finance Act 1992 as amended, hereby sets the following amounts as the amounts of Council Tax for the financial year 2017/18 for each of the categories of dwellings shown below:

Valuation Bands (Total Council Tax)

| A | B | C | D | E | F | G | H |
|----------|----------|----------|----------|----------|----------|----------|----------|
| £ | £ | £ | £ | £ | £ | £ | £ |
| 1,005.62 | 1,173.21 | 1,340.83 | 1,508.42 | 1,843.63 | 2,178.83 | 2,514.04 | 3,016.84 |

- 3.8 The Council determines in accordance with Section 52ZB of the Local Government Finance Act 1992 that the Council's basic amount of Council Tax for 2017/18, which represents a 4.99% increase, is not excessive in accordance with the principles approved by the Secretary of State under Section 52ZC of the Act.

The 4.99% increase includes a 3% increase to support the delivery of Adult Social Care.

As the billing authority, the Council has not been notified by a major precepting authority (the Police and Crime Commissioner for Hampshire or the Hampshire Fire & Rescue Authority) that its relevant basic amount of Council Tax for 2017/18 is excessive and that the billing authority is not required to hold a referendum in accordance with Section 52ZK of the Local Government Finance Act 1992.

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

4. Economic & Financial Context

- 4.1 The previous Budget report to the City Council in December 2016 described the overall national picture for public finances, the overall financial position for the Council currently and the forecast position for future years.
- 4.2 The Government continue to address the deficit in the national public finances but provided some relaxation versus the previous fiscal rules which required a Budget Surplus by the end of this parliament. The Government have now stated that the Country will return to a Budget Surplus "as early as possible in the next parliament.....but should be below 2% by the end of this parliament".
- 4.3 The Autumn Statement did not seek any further reductions in Government Departmental Spending limits which implies that the 4 year Government Finance Settlement that the Council applied for (and has now been approved by Government) will remain intact.
- 4.4 Over the past 6 years (since 2011/12), Central Government funding to Portsmouth City Council has reduced by over £68m (amounting to 44%). This has primarily been through reductions in Revenue Support Grant. 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 £86m. In context, this represents circa 42% of the Council's controllable spending.
- 4.5 This report includes a new financial forecast for the next 3 year period (covering both expenditure and funding) to 2020/21 after taking account of the £9.0m savings decisions made by the City Council in December 2016. Taking 2017/18 together with the savings in previous years will mean that the Council will have achieved £95m of savings and efficiencies equating to 47% of the Council's controllable spending.

5. Medium Term Financial Strategy and Budget Decisions 2017/18

- 5.1 In response to the considerable financial challenge, the City Council recently refreshed its Medium Term Financial Strategy (for both revenue and capital) extending its reach with a stronger focus on entrepreneurial activities leading to income generation as a means to make savings and avoid cuts to services. This is illustrated below:

OVERALL AIM

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

STRAND 1 - Short / Medium Term

Transforming to an Entrepreneurial Council - through income generation

STRAND 2 - Medium / Long Term

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

STRAND 3 - Short / Medium Term

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

STRAND 4 - Short Term

Withdraw or Offer Minimal Provision for Low Impact Services

- 5.2 The Strategy has a strong entrepreneurial and regeneration focus with a presumption that Capital investment will also be targeted towards income generation and economic growth once the Council's statutory obligations have been met.

5.3 Despite the challenging financial circumstances, the City Council made a series of Budget decisions in December 2016 that were strongly aligned with the new strategy.

5.4 The Administration's proposals were focussed on an "Avoidance to Cuts" approach in line with the Medium Term Financial Strategy. In overall terms, the proposed £9m of savings related to:

- Efficiency Savings (little or no reduction in Services) £6.7m (74%)
- Additional Income £1.4m (16%)
- Service Reductions £0.9m (10%)

5.5 The key Budget decisions made included:

- A balanced suite of savings amounting to £9.0m (of the original forecast £24.0m⁴ required over the 3 year period 2017/18 to 2019/20) which, in accordance with the Budget Consultation, provided some measure of protection to the vulnerable. By way of example, the average saving required across the Council was 4.7% of spending but to protect Children's Social Care (at 1.1% spending reductions) and Health & Social Care - Adult Social Care (at 2.6% spending reductions), it has been necessary to make spending reductions in other valued Portfolios of up to 11.7% as described below:

| Portfolio / Committee | Savings Proposal | |
|---|------------------|-------------|
| | £ | % Budget |
| Children's Social Care | 300,000 | 1.1% |
| Culture, Leisure & Sport | 343,600 | 3.7% |
| Education | 212,000 | 3.3% |
| Environment & Community Safety | 87,000 | 0.6% |
| Governance, Audit & Standards | 30,000 | 4.1% |
| Health & Social Care - Adult Social Care | 1,382,000* | 2.6% |
| Health & Social Care - Public Health | 602,000 | 4.4% |
| Housing | 179,000 | 3.3% |
| Planning, Regeneration & Economic Development | 928,000 | 11.7% |
| Resources | 961,400 | 3.0% |
| Traffic & Transportation | 330,000 | 2.5% |
| Other Expenditure (incl. Debt Repayment) | 3,645,000 | 52.2% |
| Grand Total | 9,000,000 | 4.7% |

* Excludes the additional funding passported through the Adult Social Care Precept of £2.0m and additional funding for the Care Act of £1.4m and an inflation provision meaning that in overall terms there is a real budget increase to Adult Social Care of £2.0m

- To prepare the 2017/18 Budget on the basis of a Council Tax increase of 3.99% in 2017/18 (comprising 1.99% for General Purposes and 2.0% for Adult Social Care)

⁴ Assuming a general Council Tax increase of 1.99%. Should the Council Tax not be increased by 1.99%, then each 1% change will add £0.674m to the savings requirement

- 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 otherwise unfunded cost pressures.

5.6 The combined effect of all of these decisions has enabled the Council to:

- Meet its £9.0m savings requirement whilst largely avoiding service reductions
- Provide real growth in funding to Adult Social Care (after passporting the ASC Precept and New Burdens Funding)
- Provide protection for the Council's services to the vulnerable and highest priority activities
- Maintain the overall financial health of the Council for the future financial challenge and uncertainties ahead

6. Revised Budget 2016/17

6.1 The original revenue Budget approved by the City Council on 9 February 2016 was £157,992,700.

6.2 The Council has received regular quarterly Budget Monitoring reports on the 2016/17 Budget throughout the year which have consistently reported an improving financial position. The improvement that has been reported has largely resulted from improved returns from Treasury Management activities and the improvement in the trading surpluses at the Commercial Port.

6.3 Whilst significant progress has been made in addressing the underlying budget deficits of both Adult Social Care and Children's Social Care, it has also been reported that there were forecast overspendings in those Portfolios of £0.6m and £1.3m, respectively. This has been offset by contingency provision specifically set aside for this eventuality of £0.75m. The underlying deficits (i.e. that part of the overspending anticipated to continue into future years) in aggregate for both Portfolio's is forecast to be £1.1m and this will need to be remedied in 2017/18.

6.4 In overall terms taking account of the forecast under and overspendings described above, the 2016/17 Budget is forecast to be in balance.

6.5 The Original Budget has now been comprehensively revised and it is proposed to reduce the Budget to £156,997,300, a reduction of £995,400 with the overall reduction transferring into General Reserves to fund the recommended carry forward proposals in the next financial year.

6.6 Significant changes to the Original Budget now being proposed as part of the Revised budget are as follows:

- Earlier implementation of the Council's strategy to take a "Debt Repayment Holiday" (originally planned for 2017/18) amounting to a saving of £3.1m in

order to provide funding for the Council's Capital Expenditure commitments, including a remaining Council commitment to fund £4.75m in relation to the Southsea Sea Defences Scheme, (total scheme value of £89m) - see Revenue Contribution to Capital below

- Reduction in the Council's Contingency provision of £1.9m in 2016/17 which is related to contingent risks that were expected to arise in 2016/17 but are now expected to occur in 2017/18 and therefore this sum is proposed to be carried forward into the 2017/18 Budget
- Improvement in Treasury Management activities of £1.2m
- Improvement in both the Port and MMD trading surpluses amounting to £1m
- A contribution to the Revenue Reserve for Capital of £3.5m to enable the Council to increase the Capital Resources available to properly fund its statutory responsibilities including School Places, Sea Defences and potential match funding commitments for the City Centre Re-development
- A contribution to the MTRS Reserve of £3.0m to restore it to a level sufficient to enable the Council to pursue both Spend to Save schemes, Invest to Save schemes and fund redundancy costs, all aimed at facilitating the Council's savings strategy. Without this transfer, the uncommitted balance on the reserve by 2020/21 is estimated at just £1.4m

6.7 Additionally, the Council's remaining contingency provision for 2016/17 has been set at a level that provides some cover for any likely overspendings that may arise in Children's Social Care and Adult Social Care.

6.8 As described in the Capital Programme 2016/17 to 2021/22 report contained elsewhere on this agenda, there are very significant future capital obligations and aspirations. These include schemes both of a statutory nature plus schemes aimed at protecting and transforming the City's economy. These schemes are presently unfunded but will likely require funding in the short and medium term:

| Capital Scheme - Significant Obligation / Aspiration | Unfunded Requirement £m |
|--|------------------------------------|
| Secondary School Places 2019/20 to 2021/22 | 9.0 - 11.0 |
| Special Educational Needs Re-modelling | 4.0 - 5.0 |
| School Condition (roofs, boilers, electrics, windows etc.) | 2.0 - 3.0 |
| Sea Defences Contribution to £89m Scheme | 4.8 - 10.5 |
| Enabling Transport Infrastructure match funding - City development | 0 - 5.0 |
| Landlords Repairs & Maintenance | 1.0 - 2.0 |
| Local Transport Plan - Road safety and traffic improvement schemes | 1.5 - 2.0m |
| Total Funding Requirement | 22.3 - 38.5 |

- 6.9 The scale of the funding required for these obligations and aspirations is such that it far outstrips the annual capital grant funding, capital receipts and CIL contributions that the Council receives (circa £10m per annum) plus any Government funding which may be available for school places. With potentially available capital funding of £10m versus core obligations and aspirations of between £22m to £39m of Capital Investment, there is a hugely significant shortfall to be met.
- 6.10 Given that this Capital Investment is necessary for both the Council's statutory obligations and also to transform the City's growth potential, it is vital that the Council makes the proposed Revenue Contribution to Capital for 2016/17 of £3.5m (as previously described) and also transfers any further underspendings for 2016/17 arising at the year-end to Capital. Without this funding, essential Capital Investment into School Places, Sea Defences and the City Centre Development will be in jeopardy.
- 6.11 The Revised Revenue Budget is set out in the General Fund Summary (Appendix A).

7. Revised Cash Limits 2016/17

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

7.2 The Cash Limits for 2016/17 have been revised to take account of:

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

7.3 The table below sets out the revised Cash Limits for 2016/17 and those items outside the Cash Limit (e.g. capital and similar charges, levies and insurance premiums), which together form the Revised Budget for each Portfolio.

| PORTFOLIO | Revised Cash Limits 2016/17 £'000 | Items Outside the Cash Limit £'000 | Revised Budget 2016/17 £'000 |
|---|--|---|---|
| Children's Services | 23,949 | 105 | 24,054 |
| Culture Leisure & Sport | 6,553 | 3,870 | 10,423 |
| Education | 6,118 | 18,989 | 25,107 |
| Environment & Community Safety | 13,978 | 1,781 | 15,759 |
| Health & Social Care | 42,042 | 3,314 | 45,356 |
| Housing | 3,546 | 5,743 | 9,289 |
| Leader | 122 | 20 | 142 |
| Planning Regeneration Economic Development | (10,219) | 13,041 | 2,822 |
| Resources | 18,209 | 4,231 | 22,440 |
| Traffic & Transportation | 15,338 | 684 | 16,022 |
| Governance & Audit Committee | 278 | 47 | 325 |
| Licensing Committee | (235) | 16 | (219) |
| PORTFOLIO EXPENDITURE | 119,679 | 51,841 | 171,520 |

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

8. Revenue Budget 2017/18

8.1 At last year's Annual Budget Meeting in February 2016, forecasts for this coming financial year 2017/18 and the subsequent two financial years estimated that an overall 3 year savings requirement of £24m would be necessary to meet the budget deficits over that period⁵. The forecasts for the 3 year period were prepared on the basis of the following:

- A reduction in Government Funding of £12.2m
- Adult Social Care pressures of £11.2m
- Inflationary costs of £11.0m

Offset by:

- Additional income from Council Tax of £8.4m (4.0% per annum)
- Other net improvements amounting to £2.0m

8.2 Since those forecasts were prepared in February last year, the Council has now received the 4 Year Settlement applied for in October 2016 and received the provisional Local Government Finance Settlement for 2017/18. Alongside this all other elements of the forecast have now been comprehensively reviewed. This includes the following:

Funding

- Central Government Funding (Local Government Finance Settlement)
- Business Rate Income
- Council Tax Income

Expenditure

- Savings proposals (agreed by the City Council on 13th December 2016)
- Inflationary Costs
- Other cost pressures (including "new burdens" passed down from Central Government)
- Port and MMD trading results
- Debt Financing costs and interest rates
- Contingencies

8.3 As reported to the City Council in December 2016, the advice of the S.151 Officer was that "whilst it is likely that the overall financial forecasts will change, the savings requirement for 2017/18 at £9.0m (with a Council Tax increase of 3.99%) remains robust and prudent . Given what is known, or reasonably expected, regarding future funding reductions and given future uncertainties, a savings requirement of less than these sums would not be prudent". Now that the Local Government Finance Settlement has been received and the Council's forecasts for future years have been comprehensively revised, that advice still holds.

⁵ This assumed Council Tax increases of 4.0% per annum from 2017/18 to 2019/20. Each 1 % reduction in Council Tax will add £674,100 to the forecast deficit.

8.4 Details of the Local Government Finance Settlement are set out below.

Local Government Finance Settlement 2017/18 to 2019/20

8.5 The Local Government Finance Settlement is the term used to describe the main non-ring-fenced Revenue and Capital grant funding allocations from Government. The provisional settlement was announced on 16 December 2016 and the final settlement will be announced in early February 2017.

Provisional Settlement 2017/18

8.6 The Council resolved to apply for the Government's 4 year Settlement in October 2016 which has now been accepted by Government. Whilst providing some certainty of future Government Funding, the funding reductions for the Council remain significant and challenging.

8.7 The Government published the provisional Local Government Finance Settlement 2017/18 in December 2016 and it is in line with the accepted 4 Year Settlement.

8.8 In overall terms, the Council expects a further reduction in Government Funding over the three year period 2017/18 to 2019/20 of £16.5m representing a funding reduction of 36%. Of most significance are the reductions in Revenue Support Grant and the New Homes Bonus. There is a rise in "Other Grants" totalling £2.4m, this relates to additional funding through the "Improved Better Care Fund" allocations which commence slowly at £0.5m for 2017/18 and rise to £6.2m in 2019/20 but offset by other grant reductions, most notably the New Homes Bonus amounting to a reduction of £2.0m. This is all summarised in the table below:

| Funding Stream | 2016/17 | 2017/18 | 2018/19 | 2019/20 | Total Reduction |
|--------------------------------|----------------|----------------|----------------|----------------|------------------------|
| | £m | £m | £m | £m | £m |
| Revenue Support Grant | 30.4 | 22.3 | 17.0 | 11.5 | (18.9) |
| Other Grants | 18.8 | 18.0 | 18.8 | 21.2 | 2.4 |
| Total Government Grants | 49.2 | 40.3 | 35.8 | 32.7 | (16.5) |

8.9 Whilst the Revenue Support Grant forms part of the 4 Year Settlement, the Other Grants do not and therefore these funding streams will remain a risk for the Council in future years.

8.10 The overall impact of the provisional Local Government Finance Settlement on the Council's future forecast Budget Deficit over the 3 year period to 2019/20 is broadly neutral and whilst the overall reduction of funding to 2019/20 amounting to £18.9m is a serious concern to the Council, it had been largely predicted within the Council's financial forecasts.

8.11 Other key announcements as part of the provisional Local Government Settlement are:

- Overall Funding - There is no new money in the settlement compared with that announced in the Comprehensive Spending Review in December 2015

- Revenue Support Grant - There is no change to the distribution methodology for 2017/18
- The Settlement confirmed that additional funding of £1.4m has been provided for the additional new burdens associated with the implementation of the Care Act (and this has been passported within the proposed Budget for 2017/18 to Adult Social Care).
- There is an additional "one-off" grant for Adult Social Care Support grant, funded by accelerating the reduction in the national New Homes Bonus scheme (see below). The addition of the new grant and the reduction in the New Homes Bonus have largely offset each other
- Council Tax:
 - The basic referendum principle of a 2% increase is confirmed
 - Adult Social Care Precept - More flexibility has been allowed to fund Adult Social Care pressures by bringing forward the ability to raise Council Tax for the Adult Social Care Precept earlier than set out in the Comprehensive Spending Review. Options now include:
 - i) 2% per annum for the next 3 years (as originally allowed in the Comprehensive Spending Review)
 - ii) 3% for 2017/18, 3% for 2018/19 and Zero for 2019/20
 - iii) 3% for 2017/18, 2% for 2018/19 and 1% for 2019/20
 - iv) Other permutations adding up to 6% over 3 years but "back loaded"
- The announcement of the revised New Homes Bonus scheme (described below)

8.12 The new scheme for the New Homes Bonus was intended to "sharpen the incentive" but also to reduce the overall amount available nationally by £593m (almost 40%) and re-direct funding towards Adult Social Care through the "Improved Better Care Fund". This was to be phased but commencing slowly from 2017/18

8.13 The proposed scheme now announced is summarised below:

- A threshold of a 0.4% increase in new homes (or "deadweight") before any New Homes Bonus (NHB) will be paid (i.e. 0.4 % growth will need to be achieved before any NHB funding will be paid - for Portsmouth this amounts to circa 294 new homes)
- A reduction in the length of time payments will be made from 6 years to 5 in 2017/18 and then a further reduction to 4 years from 2018/19 and thereafter

- From 2018/19 payments will not be made for residential development allowed on appeal

The introduction of the 0.4% threshold ("deadweight") is significant, and a change from the 0.25% threshold consulted upon. The "deadweight" threshold is a concern to those Authorities where there is more limited potential for housing growth (either through lack of land supply such as Portsmouth or limited opportunities for business growth). Nevertheless, it does emphasise the need to continue the drive towards regeneration and high quality employment in the City as a mechanism to stimulate the Council Tax base.

- 8.14 The Government will publish a response to the Fair Funding review consultation (i.e. the review of the 'needs element' embedded with the Revenue Support Grant and the Business Rates Retention system). This is to be implemented in 2020/21 as part of the overall move to the 100% business rates retention system.
- 8.15 The final grant settlement should be available by early February, it is not expected to vary significantly from the provisional settlement and it is recommended that any variation should be accommodated by a transfer to or from General Reserves.
- 8.16 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.
- 8.17 Given that the 2017/18 Local Government Finance Settlement is broadly in line with the Council's forecasts upon which the minimum £9m savings requirement was based, there is no need to seek any further savings beyond those approved at the December 2016 Council meeting.

Retained Business Rates 2017/18 & Future Years

- 8.18 As explained in previous reports, the City Council now retains 49% of all Business Rates received. This system was introduced for the first time in 2013/14 and was accompanied by a broadly equivalent reduction in Government Grant and therefore at commencement did not represent any additional funding. The new system of retained Business Rates does however present both opportunities and risks. Authorities with strong business rates growth will benefit and be able to retain 49% of that growth, whereas Authorities whose business rates decline, or are subject to "shocks" such as closure (or relocation) of major businesses in an area, will see a reduction in their funding.
- 8.19 The new system is complex but some of the other key features are highlighted below:
- For businesses 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 tax base grows the City Council will be rewarded with increased funding, but if it declines Council funding will reduce
- Estimates of likely successful appeals (both known and as yet unknown) must be taken into account when determining the amount of business rates that can be retained
- 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 baseline funding level (for Portsmouth this would require a fall in Business Rates retained to £41.9m).

- 8.20 In 2017/18 the National Non Domestic Rate system was subject to a re-valuation. This revised both the rateable values and the multiplier. The entire re-valuation is financially neutral at a national level with the increase in rateable values overall offset by a reduction in the multiplier.
- 8.21 Retained Business Rates system for Local Authorities is likewise intended to be financially neutral. Inevitably, this will not be the case and there will be "winners" and "losers" across the country. The key risk is the extent to which successful appeals are greater or less than the assumed allowance for appeals contained within the new multiplier set by Government.
- 8.22 For 2017/18, Retained Business Rates⁶ are estimated at £49.6m which includes a surplus relating to previous years of £1.5m arising from lower than anticipated losses due to appeals. Future estimated Business Rates have been assumed to increase by the rate of inflation only (as estimated by the Office for Budget Responsibility) since revaluation appeals and applications for mandatory business rate reliefs (e.g. charitable relief) can easily offset any growth.
- 8.23 The estimation of business rate receipts is extremely complex, with the potential to be volatile and with many of the factors outside this Council's control. In particular, the Valuation Office Agency will both determine whether a rating appeal is successful and the level of reduction granted with the Council having no right of challenge. To help mitigate against this risk, the Council maintains a reserve to provide the Council with a degree of funding stability in the event of fluctuations within and between years.
- 8.24 Despite the complications and risks associated with appeals, there remains the financial incentive within the system for many Local Authorities (including Portsmouth⁷) to generate economic growth and job creation. Irrespective of the financial incentive, the Council's Medium Term Financial Strategy is aimed at reducing the need for Council Services generally and therefore growth, jobs and prosperity are vital to achieve that.

⁶ Includes 49% of all Business Rates received, S.31 Grants in recompense for nationally introduced reliefs and the surplus on the Collection Fund relating to Business Rates and the "Top Up"

⁷ Applies to Local Authorities that, in general, remain above the safety net threshold over time

Council Tax Proposals 2017/18 & Future Years

Council Tax Amount 2017/18

- 8.25 As described in the Budget report to Council in December 2016, 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 if closed would reduce the Savings Requirements of the Council by the same sum.
- 8.26 Council Tax currently represents almost 45% of the Council's total revenue funding and as Government funding has reduced, this has become an increasingly more important and dependent funding source for the Council.
- 8.27 Council Tax for the average Council Tax payer in Portsmouth (Band B) currently amounts to £1,121.08, of which £947.59 (85%) is the City Council element. Not all residents are subject to the full amount of Council Tax with many benefitting from exemptions and discounts (such as the single person discount) and a significant number of residents receiving Local Council Tax Support bringing the level of Council Tax payable to an assessed affordable level. After discounts, exemptions and Local Council Tax support is taken into account, only 52% of all properties are subject to the full level of Council Tax.
- 8.28 The provisional Local Government Finance Settlement for 2017/18 confirmed a Council Tax increase limit for general purposes (i.e. referendum threshold) of 2%. Any increase beyond the 2% threshold can only be implemented following a "Yes" vote in a local referendum.
- 8.29 In addition, the level of Council Tax increase for the Adult Social Care precept for 2017/18 and 2018/19 has been confirmed at 3% (compared with the announcement in the Comprehensive Spending Review in December 2015 of 2% for each year). Whilst the threshold for 2017/18 and 2018/19 has been increased, the overall increase over the 3 year period to 2019/20 remains intact. Therefore, it is for Local Councils to agree how to profile the available 6% increase over the 3 year period 2017/18 to 2019/20 within an overall cap of 6% and an annual cap of 3% (for example 2%, 2% and 2% or alternatively 3%,3% and 0%).
- 8.30 The recommendations approved by the City Council in December 2016 included the following:
- (a) That the Council's Budget for 2017/18 be prepared on the basis of a 3.99% Council Tax increase (based on a 1.99% increase for General Purposes and a 2.0% increase for the Adult Social Care Precept)
 - (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 otherwise unfunded cost pressures

Accordingly, the proposals within this report are for a total Council Tax increase of 4.99% as follows:

- (a) A 1.99% increase yielding £1,341,500 (equating to 36 pence per week for a Band B Tax payer) for general purposes
- (b) A further 3% increase yielding £2,022,300 (equating to a further 55 pence per week for a Band B Tax payer) for the "Social Care Precept" and to be passported direct to Adult Social Care to fund existing and emerging demographic pressures and other cost pressures such as the National Living Wage

- 8.31 The additional flexibility to bring forward the Council Tax increases for the Adult Social Care Precept has been provided in recognition of the extreme cost pressures facing Adult Social Care, both through the increase in the National Living Wage as well as the demographic pressures from a general aging and "living longer" population.
- 8.32 As described in the City Council in December 2016, there are a number of actual and potential cost pressures that either currently exist or will fall on Adult Social Care in 2017/18. This includes the current underlying budget deficit amounting to £0.6m as also reported to Council. In addition, Adult Social Care will face pressures from the rising elderly population generally, the requirements of the Care Act and the 4.2% increase in the National Living Wage. The National Living Wage alone could confer an additional cost of circa £1.4m on the Council.
- 8.33 Given the extent of the unfunded cost pressures, both present and emerging, which amount to far in excess of the value of the additional 1% Adult Social Care Precept flexibility (i.e. amounting to £674,100), it is recommended that the Council increase the Council Tax for the Adult Social Care Precept by 3%. Setting a precept at a lower sum will inevitably result in additional service reductions to Adult Social Care services in 2017/18, this decision therefore will be will be critical for Adult Social Care services and the wider health system in the City.
- 8.34 The Council could elect not to increase the level of Council tax by 4.99% but if it chose to do so would need to identify additional savings over and above the £9m savings approved by the City Council in December 2016. For every 1% reduction in Council Tax, additional savings of £674,100 will be required.
- 8.35 The Council's future forecasts for the period 2018/19 to 2020/21 have been estimated on the following basis:
- i) General Purposes - 1.99% rise each year
 - ii) Adult Social Care Precept - 3.0% rise in 2018/19, 0% for 2019/20 and thereafter

Council Tax Base 2017/18

- 8.36 The Council Tax Base (i.e. the number of Band D equivalent properties paying the full Council Tax) has been determined as **55,329.9** for 2017/18, having taken account of the previous Council decisions on 15th November 2016 relating to the Local Council Tax Support Scheme.

Collection Fund Balance (Council Tax Element) 2016/17

- 8.37 The Collection Fund is the account into which are paid amounts collected in respect of Council Tax and out of which are paid the Council Tax precepts to:
- Portsmouth City Council (84.6% share)
 - Hampshire Police & Crime Commissioner (11.1% share)
 - Hampshire Fire & Rescue Service (4.3% share)

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

- 8.38 For 2016/17, it is estimated that there will be a surplus on the Collection Fund of £1,743,962 which will be shared in proportion to the 2016/17 precepts and distributed to the preceptors as follows:

| COLLECTION FUND SURPLUS - 2016/17 | | |
|--|---------------------|---------------|
| Preceptor | Distribution | |
| | £ | % |
| Portsmouth City Council | 1,474,078 | 84.6% |
| Hampshire Police & Crime Commissioner | 194,143 | 11.1% |
| Hampshire Fire & Rescue Service | 75,741 | 4.3% |
| | | |
| Total Surplus 2016/17 | 1,743,962 | 100.0% |

The Portsmouth City Council Share of the surplus of £1,474,078 is factored into the overall Council Tax income for 2017/18.

Total Council Tax Income 2017/18 & Future Years

- 8.39 Considering the Council Tax increase, Council Tax Base and surplus on the Collection Fund, the total Council Tax income for 2017/18 is estimated at £72,247,660.

8.40 As Government funding reduces, rises in Council Tax income are fundamental to the Council's future financial position and therefore the future sustainability of Council Services. The Council's Medium Term Financial Forecast assumes that Council Tax Income will rise to £77,291,997 by 2020/21 and is based on the following assumptions:

- Annual increases in the amount of Council Tax of 4.99% for 2018/19
- Increases of 1.99% per annum from 2019/20 onwards

Cumulative Effects of the Overall Local Government Funding System

8.41 Over the past 5 years and including the coming year, the emphasis of the Local Government Funding system has changed considerably. There are now clear financial incentives for Local Authorities to promote business growth, increase the number of homes and increase employment. This is illustrated by the following:

- The Business Rates retention scheme allows the City Council to retain circa £400,000 for every 1% increase in Business Rate growth. Equally, the City Council will lose £400,000 for every 1% decline in the Business Rate base
- For every new home built, the City Council is able to retain circa £1,530 p.a. above the "deadweight" threshold of 0.4% (circa 294 homes) in New Homes Bonus grant for a period of 4 years
- The risk of increased numbers of households requiring financial support to pay their Council Tax (formerly Council Tax Benefit) falls on the City Council. The City Council therefore will be worse off if caseloads increase and better off if caseloads fall. The estimated value of the Council Tax support for 2017/18 is £8.3m. Each 1% change therefore will represent a cost / saving of £83,000.

It is important therefore that when the Council is developing policy and strategy and making its decisions, particularly relating to the Capital Programme, it is cognisant of these financial incentives.

Summary of Proposed Revenue Budget 2017/18

8.42 The proposed Budget for 2017/18 has been prepared to include the following:

Spending 2017/18:

- Passporting the "Social Care Precept" funding of £2.0m (amounting to the equivalent of a 3% increase in Council Tax) to Adult Social Care for demographic pressures and the costs associated with the National Living Wage
- Funding for additional New Burdens associated with the Care Act amounting to £1.4m

- An overall allowance for inflation of 1.8% (which includes pay at 1.13% and includes the uplift in employers pension contributions) amounting to £2.5m
- The revenue implications arising from the Council's obligations to fund its Capital Programme contained elsewhere on this agenda, including both costs and any savings arising from Invest to Save Schemes
- Overall contingency provision to cover known and anticipated financial risks of the Council amounting to £6.7m (£6.7m in 2016/17), especially those relating to increases in demand for Adult & Children's Social Care services and the delivery of budget savings more generally
- Adjustment to forecast borrowing costs and investment rates
- The £9.0m savings proposals approved by the City Council in December 2016
- Improved trading results from both the Port and MMD amounting to £2.3m

Funding 2017/18:

- Reduction in general Government funding of £8.8m
- An overall increase in Council Tax of 4.99%, yielding £3.3m
- An increase in the Council Tax base equivalent to 1,791 Band D properties yielding £2.3m (which includes the effect of the change to the Local Council Tax Support Scheme)
- An increase in retained Business Rates⁸ of £2.4m, reflecting the uplift arising from the increase in RPI and business rate growth⁹
- Overall "one-off" surplus on the Collection Fund attributable to the City Council amounting to £3.0m, representing a surplus on Council Tax of £1.5m and a surplus on Business Rates retained of £1.5m

8.43 The proposed Budget for 2017/18, including the main changes described above results in net spending of £161,643,000. This amounts to a net increase in spending of £3,650,300 or 2.3% over the Original Budget 2016/17 of £157,992,700.

8.44 The proposed Budget for 2017/18 as described in this Section is recommended for approval.

⁸ This excludes the surplus brought forward on the Collection Fund of £1.5m

⁹ RPI - Retail Price Index each September is used to increase the business rate multiplier that is applied to rateable values and determine rates due.

9. Cash Limits 2017/18

9.1 As previously described, Cash Limits relate to that element of the Budget that is Portfolio and Service specific and which is controllable. Cash Limits have been prepared to reflect all changes set out in the proposed Budget for 2017/18 described in Section 8 and in particular include:

- Inflation
- Reductions to Cash Limits to take out the approved Budget savings
- Additions to Cash Limits for passporting funds relating to new burdens
- Adjustments to reflect the revenue costs of the proposed Capital Programme
- Windfall costs and savings
- Other refinements

9.2 The table below shows the proposed Cash Limits for 2017/18 and also those items outside Cash Limits (i.e. capital and similar charges, levies and insurance premiums), which together form the Budget for each service.

| PORTFOLIO | Cash Limits 2017/18 £'000 | Items Outside the Cash Limit £'000 | Budget 2017/18 £'000 |
|---|--|---|-------------------------------------|
| Children & Education | 23,738 | 105 | 23,843 |
| Culture Leisure & Sport | 6,290 | 3,870 | 10,160 |
| Education | 5,258 | 18,989 | 24,247 |
| Environment & Community Safety | 14,012 | 1,788 | 15,800 |
| Health & Social Care | 42,119 | 3,314 | 45,433 |
| Housing | 3,298 | 5,743 | 9,041 |
| Leader | 124 | 20 | 144 |
| Planning Regeneration Economic Development | (13,004) | 13,041 | 37 |
| Resources | 18,514 | 4,244 | 22,758 |
| Traffic & Transportation | 13,922 | 684 | 14,606 |
| Governance & Audit Committee | 41 | 48 | 89 |
| Licensing Committee | (231) | 16 | (215) |
| PORTFOLIO EXPENDITURE | 114,081 | 51,862 | 165,943 |

9.3 Managers will be expected to contain their expenditure in 2017/18 within Cash Limits and to regularly monitor their budgets to ensure this is achieved. Managers will continue to have the freedom to change their budgets within the Cash Limit in the year, provided they do not enter into commitments which would increase their

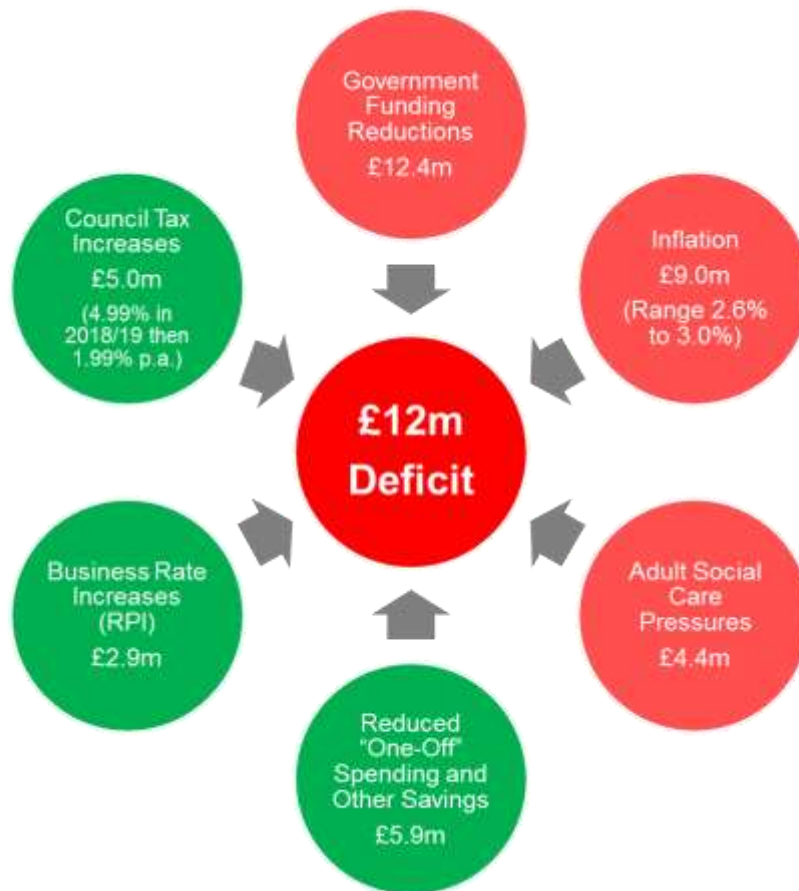
expenditure in future years beyond the agreed Cash Limit for 2017/18, but mindful of the requirement to make savings in future years.

- 9.4 As set out in the Council's Financial Rules, any overspends against the current year's Cash Limit will become the first call on any retained underspendings from previous years contained within a Portfolio's Earmarked Reserve. Should a Portfolio's Earmarked Reserve be depleted, any remaining overspend will be deducted from the 2018/19 Cash Limit.
- 9.5 Managers have delegated authority to incur committed routine expenditure within their approved Cash Limit. Routine expenditure is any expenditure incurred to meet the day-to-day operational requirements of the service, or any specific approved budget pressure. Managers wishing to incur expenditure on any other specific item should seek approval from the relevant Portfolio holder before incurring that expenditure.
- 9.6 These Cash Limits will be adjusted under the delegated authority of the S.151 Officer to reflect transfers of budgets that come to light after the Budget has been approved, such as changes to the assumptions on inflation rates and any other virements.
- 9.7 Managers will be required to report their forecast outturn position to the relevant Portfolio holder on a regular basis and the City Council will receive a report on the overall budget position every quarter.

10. Future Years' Medium Term Forecasts - 2018/19, 2019/20, and 2020/21

- 10.1 A new medium term forecast has now been completed and "rolled on" a further year to cover the period 2018/19 to 2020/21. All of the financial assumptions have been comprehensively revised and a savings requirement for the new period determined.
- 10.2 The previous medium term forecast estimated that savings of £24m would be required across the previous 3 year period 2017/18 to 2019/20. The proposed Revenue Budget for 2017/18 provides for £9m of those savings that, based on the "old" forecast, would have left a residual £15m remaining to be found for the following 2 years.
- 10.3 The new medium term forecast takes account of the £9m savings being achieved in 2017/18, comprehensively revises the remaining £15m that was estimated to be required and makes a forecast for the additional year 2020/21. It is now estimated that the savings required for the new 3 year period 2018/19 to 2020/21 will be £12m (or £24m cumulatively over the period) as described in the paragraphs that follow.

10.4 The most significant changes that will affect Local Government and the Council through the period 2018/19 to 2020/21 are as follows:



10.5 The most significant assumptions in the medium term forecasts for the period 2018/19 to 2020/21 are described below:

Spending:

- An overall composite inflationary provision covering all pay and prices amounting to 2.6% for 2018/19, a further 3.0% for 2019/20 and a further 2.9% for 2020/21 amounting to a total for the period of £9.0m
- Demographic cost pressures in Adult Social Care (excluding inflation) of £4.4m
- The ongoing effect of savings and passported funding for new burdens included in the 2017/18 budget
- Any new burdens arising from the Care Act will be funded in full
- Some provision for the potential on-going risks associated with the budget pressures within Children’s and Adult’s Social Care
- Interest rates on any new borrowing of 3.0% for 2018/19, 3.2% for 2019/20 and 3.4% for 2020/21

- Investment rates on any new lending of 0.25% for 2018/19, 0.5% for 2019/20 and 0.75% for 2020/21
- Revenue contributions to Capital to meet existing Council commitments and also to supplement the Capital Resources available for 2018/19 and 2019/20 when capital resources will be extremely limited and far outstrip the Council's obligations and aspirations
- An assumption of a steady state for other budgets

Funding:

- Reductions in overall general Government funding of 12.4m, representing a 31% reduction
- A 4.99% increase in Council Tax for 2018/19 followed by increases of 1.99% per annum thereafter, in total yielding £5.0m
- Indexation uplifts on retained Business Rates of 3.2% for 2018/19, a further 3.6% for 2019/20 and a further 3.0% for 2020/21 in line with forecasts from the Office for Budget Responsibility which in total yields £2.9m
- An underlying zero growth assumption for changes in Business Rates from 2017/18 onwards, to reflect the uncertainty relating to appeals and mandatory reliefs
- That any loss of business rates income arising from the continuation of the cap on increases provided by Government in 2014/15 and future years will continue to be recompensed by Government via S.31 grant funding
- New Homes Bonus grant reductions based on the Government's assumptions of the changes to the scheme
- Changes to the Port dividend for 2018/19, 2019/20, and 2020/21 to reflect current forecasts

10.6 It is important to recognise that this forecast extends beyond the current Comprehensive Spending Review and 4 Year Settlement periods and moves to the year in which the Local Government funding system changes to 100% Business Rate Retention and the simultaneous implementation of the Fair Funding review, which will set the baseline level of funding from Business Rates. Consequently, there remains a significant level of uncertainty surrounding the forecast for 2020/21.

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

10.8 In summary, the overall savings requirement has been revised downwards for both 2018/19 and 2019/20 by £7m overall and the forecast has been “rolled on” to now include a deficit in 2020/21 of £4m. The overall forecast budget deficit and savings requirement for the 3 year period 2018/19 to 2020/21 is now £12m. The main factors that have given rise to the improvement in the Council's forecasts are:

- Funding for the improved Better Care Fund (BCF), originally assumed to be passported to the BCF but now considered to be non ring-fenced and generally available amounting to £6.2m
- Forecast improvement in the trading results of the Port and MMD £2.8m
- Offset by other costs amounting to £2.0m (including additional pension obligations of £1.1m)

10.9 The fundamental aim of the Medium Term Resource Strategy is for in-year expenditure to equal in-year income. The proposed Savings Requirements set out below have been set to accord with that aim and also with the minimum level of General Balances that the Council is required to hold based on its risk profile.

10.10 The Savings Requirements recommended below have been phased to have regard to a managed reduction in spending and service provision over a realistic period:

| | Revised Underlying Budget Deficit | Revised In Year Target | Revised Cumulative Saving |
|---------|--|---------------------------------------|--|
| | £m | £m | £m |
| 2018/19 | 3.9 | 4.0 | 4.0 |
| 2019/20 | 8.9 | 4.0 | 8.0 |
| 2020/21 | 11.4 | 4.0 | 12.0 |

10.11 It will be for the Administration to determine how the forecast Savings Requirements are allocated across Portfolios throughout future budget processes.

11. Estimated General Reserves 2016/17 to 2020/21

11.1 In general, maintaining adequate reserves is a measure of responsible financial management and strong financial health. They are required in order to be able to respond to "financial shocks" without having to revert to the alternative of quick and severe reductions in services. Equally, they can be a vehicle to take advantage of any opportunities that may arise which are in the financial interests of the Council (for example, matched funding opportunities which could lever in additional funding for the City or for Spend to Save schemes). Importantly, they also enable differences between expenditure and funding levels to be "smoothed out" and managed in a planned way over time.

11.2 General Fund Revenue Reserves as at 31 March 2017 (Revised Estimate) are anticipated to be £19.2m after transfers to and from other reserves. The Council is expected therefore to remain within the approved level of minimum General Reserves of £7.0m.

- 11.3 In accordance with Best Practice, the level and nature of all revenue reserves and balances has been reviewed as part of the budget process. The exercise has attempted to identify and assess all of the City Council's potential financial risks over the next few years in order to determine the prudent level of balances that should be retained, based on the City Council's risk profile. Each risk has been considered alongside the probability of it happening.
- 11.4 The outcome shows that for 2017/18 the City Council should hold a minimum of £7.0m in General Reserves to cover these major risks. It is therefore recommended that the minimum level of General Reserves be maintained at £7.0m as at March 2018. Assuming the savings required to fund the forecast deficit in 2017/18 are achieved, General Reserves as at 31 March 2018 are forecast to be £19.8m.
- 11.5 The minimum level of balances for 2018/19 and future years will be reviewed annually as part of the budget process.
- 11.6 The statement below gives details of the General Reserves in hand at 1 April 2016, together with the proposed use of reserves from 2016/17 to 2020/21, and the resultant balances at 31 March 2021 **assuming that the target savings recommended in Section 10 are achieved.**

| General Reserves Forecast - 2016/17 to 2020/21 | | | | | |
|---|----------------------------|----------------------------------|------------------------------------|------------------------------------|------------------------------------|
| Financial Year | Current Year £m | Budget 2017/18 £m | Forecast 2018/19 £m | Forecast 2019/20 £m | Forecast 2020/21 £m |
| Opening Balance | 16.4 | 19.2 | 19.8 | 19.9 | 19.0 |
| In Year Surplus / (Deficit) | 2.8 | 0.6 | 0.1 | (0.9) | 0.6 |
| Forecast Balance | 19.2 | 19.8 | 19.9 | 19.0 | 19.6 |

- 11.7 The level of balances held over the period will be higher than the minimum level recommended. This prudent approach is being taken for a number of specific reasons, which include:
- The Council is not permitted to budget for a level of General Reserves below the minimum level determined by the S.151 Officer
 - The balances are predicated on total savings (as yet unidentified) of £12m being achieved over the next 3 years. If those savings are not made, balances would be at the minimum level by 31 March 2020.
 - The uncertainty over the level of funding generally (in particular retained Business Rates), demographic cost pressures for care services, inflation and interest rates in future years

- The uncommitted balance available in the MTRS reserve of just £4.4m¹⁰ means there are only limited funds available to fund the implementation costs of future efficiency savings (see Section 12)

11.8 Furthermore, the City Council is pursuing a number of initiatives that will rely temporarily on the use of the Council's reserves generally in order to deliver them in a more cost efficient way (i.e. as opposed to borrowing). Examples include, the City Deal, Dunsbury Hill Farm and the Investment Property Fund. In the current climate where borrowing rates are significantly greater than investment rates, it makes financial sense to utilise General Balances and Reserves (that would otherwise be invested until required) and defer any borrowing decisions to a later date once investment rates recover. Retaining reserves therefore is an extremely important element of delivering the Council's Regeneration Strategy that will ultimately result in increased jobs, new homes and improved prosperity for the City.

12. Medium Term Resource Strategy Reserve

12.1 The MTRS Reserve was originally established to fund:

- Spend to Save and Spend to Avoid Cost initiatives
- Invest to Save capital schemes
- Feasibility Studies where there is likely to be an efficiency gain
- One-off redundancy costs arising from proposed savings
- The funding of expenditure of a "one-off" nature that is critical to the successful achievement of the outcomes that the residents of Portsmouth value most highly and where no other alternative funding source is available

12.2 Historically, the Reserve has been replenished by transfers of underspends from previous years. Under the new financial framework of retained underspendings by Portfolios, the opportunities for replenishing this reserve are now diminished. The calls on the reserve however, for smaller scale Spend to Save or Invest to Save schemes are also diminished, since these are funded from Portfolio Reserves where available. It is important that the reserve is maintained to fund larger scale Spend to Save schemes that would otherwise be unaffordable by a Portfolio.

12.3 It is anticipated that the main call on the MTRS Reserve over the next few years will be redundancy costs arising out of the savings needed to balance the Budget, Invest to Save Schemes of a capital nature and the revenue costs associated with transforming Services.

12.4 In order to provide for future years anticipated redundancy costs (i.e. over the course of the coming year and the further 3 year forecast), satisfy the demands for Invest to Save Schemes and meet all other commitments, it is recommended that £3.0m is transferred into the Reserve in 2016/17 from the forecast underspend in the year, (as set out in Section 6).

¹⁰ Including the transfer into the reserve of £3.0m as recommended in this report

- 12.5 In the event that the recommended £3.0m transfer is not approved, the Reserve will be left with a very modest £1.4m, rendering it largely ineffective as a vehicle for facilitating future Spend to Save schemes of any meaningful scale.
- 12.6 In future years, for this Reserve to continue in this capacity, it will be necessary to replenish it either from non Portfolio underspends or alternatively from the Revenue Budget.

13. Statement of the Section 151 Officer in Accordance with the Local Government Act 2003

- 13.1 Section 25 of the Local Government Act 2003 (“the Act”) requires the Chief Financial Officer to report to the City Council on the following matters:
- The robustness of the estimates included in the budget made for the purposes of setting the Council Tax; and
 - The adequacy of proposed financial reserves
- 13.2 Section 25 of the Act concentrates on uncertainties within the budget year rather than the greater uncertainties in future years. In the current economic climate, there continue to be uncertainties in both the current and future years i.e. beyond 2017/18. Particular uncertainties exist regarding the extent of successful appeals and mandatory reliefs which affect Retained Business Rates, the ability of the Council to continue to make the necessary savings at the required scale and pace, the likely demographic cost pressures arising in demand driven services such as Adults and Children’s Social Care and the extent to which new policy changes will be funded (most notably those arising from the Care Act). All of these uncertainties increase the need for adequate reserves and balances to be maintained in current and future years.
- 13.3 A minimum level of revenue reserves must be specified within the Budget. The Local Authority must take full account of this information when setting the Budget Requirement.
- 13.4 Should the level of reserves fall below the minimum approved sum of £7.0m as proposed in this report, either arising from an overspend in the previous year or the current year, the S.151 Officer has a duty to report this to the Council with recommendations as to the actions that should be taken to rectify the shortfall. In the most extreme of circumstances, the S.151 Officer can impose a spending freeze until a balanced budget is approved by the Council.

(a) Robustness of the Budget

- 13.5 In setting the Budget, the City Council should have regard to the strategic and operational risks facing the City Council. Some of these risks reflect the current economic climate and the national issues surrounding local authority funding levels.

- 13.6 Estimates and forecasts have been prepared to include all known significant financial factors over the medium term in order to inform spending decisions.
- 13.7 Assumptions for the Budget and forecasts for future years are considered to be sound and based on the best available information. These are set out in detail in Sections 8 and 10 and use the following sources as their evidence base:
- Government funding as set out in the provisional settlement for 2017/18 to 2019/20.
 - A "no growth" assumption for Retained Business Rates on the basis that any income arising from growth will be offset by both appeals and reliefs
 - An assumption that the value of successful appeals against the 2017 rating list will be the equivalent of 4.7% of the business rate multiplier.
 - Increases in Council Tax based on what is likely to be acceptable and in particular that the Council will continue to take advantage of the flexibility to tax for Adult Social Care at 3% in 2017/18 and 2018/19
 - Inflation on Retained Business Rates and prices in accordance with inflation estimates from the Office for Budget Responsibility
 - Provisions for anticipated national policy changes arising out of the Care Act based on Portsmouth's share of "relative need"¹¹
 - Specific provisions for increases in demand for both Adult's & Children's Social Care based on current trends
 - A general provision for (as yet) unknown budget pressures based on the estimated probability of those pressures being unable to be managed within Portfolio cash limits
 - Prudential borrowing requirements based on approved Capital schemes
 - Revenue contributions to capital based on known commitments and estimates of future needs
 - Balances and contingencies based on a risk assessment of all known financial risks
- 13.8 Savings contained within the Budget are those where Portfolio Holders and Directors assess the confidence level of achievement is medium and above. Savings proposals have also been subject to scrutiny by Members. Responsibility and accountability for delivering the savings rests with the relevant Portfolio Holders and Directors and progress will be monitored throughout the year as part of the Budget Monitoring process.

¹¹ Relative need is based on the Government's "Relative Needs Formula" that is used in allocating general government funding

- 13.9 The most volatile budgets are those of Adult's and Children's Social Care. Budget provision has been made available to cover these risks both directly within Service cash limits as well as within the City Council's overall contingency provision.
- 13.10 Additionally, Portfolios will be able to retain any underspendings in 2016/17 and utilise them as necessary in 2017/18 and future years for any purpose but with a clear priority to meet essential cost pressures in the first instance.
- 13.11 The forecasts prepared for the forthcoming and future years are robustly based and illustrate the expected costs the City Council will incur in order to deliver current levels of service.
- 13.12 Portfolio Holders will be given regular budget updates by Directors to ensure that action to address any potential over or underspend is taken promptly and quarterly budget monitoring reports will continue to be presented to the City Council.
- 13.13 To encourage budget discipline all future overspendings will be deducted from any retained underspendings accumulated in Portfolio Earmarked Reserves in the first instance and once depleted from the following year's Cash Limits.
- 13.14 Prudential Indicators are accurately calculated based on the Council's audited Balance Sheet, notified income streams and in depth financial appraisals of proposed capital schemes. These are published and reviewed on a regular basis to ensure that the City Council complies with the concepts of Affordability, Prudence, and Sustainability. The City Council has agreed to consider Prudential Borrowing for "Spend to Save Schemes" only, as it is currently unaffordable for any other purpose given the forecast budget deficits in 2018/19 and future years.
- 13.15 Future years' budgets will remain challenging due to continued funding reductions and uncertainties. The Council's forecasts provide for a savings target of £4m in 2018/19, £4m in 2019/20 and £4m in 2020/21.

(b) The Adequacy of Proposed Financial Reserves

- 13.16 During 2016/17, a review of the level and nature of all revenue reserves and balances has been undertaken. All of the City Council's potential financial risks over the next few years and the probability of each risk happening has been assessed. The outcome from this review concludes the need to maintain the minimum level of General Reserves of £7.0m as at 31 March 2018 (£7.0m in the current year).
- 13.17 Balances provide a buffer against unexpected costs such as pay awards, inflation, shortfalls in income and overspendings and enable the City Council to manage change without undue impact on the Council Tax or immediate reductions to services. They are a key element of strong financial standing and resilience as they mitigate risks such as increased demand and other cost pressures.
- 13.18 The level of balances held will be higher than the minimum level recommended. This prudent approach is being taken for a number of specific reasons as set out in Section 11. The position will continue to be reviewed and reported to Members on an annual basis.

- 13.19 As previously mentioned, the Council will maintain Portfolio Earmarked Reserves to retain accumulated Portfolio underspends in order that Portfolios can better manage any known or unknown cost pressures that arise. It is forecast that Portfolio Reserves will amount to £5.8m as at 31 March 2017 which will be available for 2017/18.
- 13.20 The MTRS Reserve is the Council's primary vehicle for funding Spend to Save and Spend to Avoid Costs Initiatives, Feasibility Studies and redundancy costs. Taking account of all approvals from this reserve and future estimated redundancy costs over the next 4 years, it is estimated that the Reserve will have an uncommitted balance of £4.4m. In order for this Reserve to continue in this capacity, it will be necessary to replenish it from any non Portfolio underspendings, transfers from other reserves no longer required or alternatively from the Revenue Budget.
- 13.21 The Council maintains a number of other Earmarked Reserves for specific purposes, all of which are at the levels required to meet known future commitments. The major reserves include the following:
- Revenue Reserve for Capital – to fund the Capital Programme
 - Highways PFI Reserve – to fund future commitments under that contract
 - Off Street Parking Reserve – to fund investment in transport
 - Insurance Reserve – to fund potential future liabilities
- 13.22 The Council's contingency provision for 2017/18 has been set on a risk basis at £6.7m and reflects anticipated calls on the budget where the timing and value is not yet known. The use and application of the contingency will continue to be exercised tightly.

14. Conclusion

- 14.1 The proposed Budget 2017/18 has been prepared to incorporate the decisions of Council in December 2016 to make savings amounting to £9m and set a Council Tax increase of 4.99%.
- 14.2 The decisions made by the City Council in December 2016 alongside the recommendations within this report are made as part of a co-ordinated package of measures for both the Revenue Budget and Capital Programme that are aligned with the approved Medium Term Financial Strategy with its stated aim that

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

14.3 The proposals contained within the December 2016 report and this report, now culminating in the proposed Budget for 2017/18, will:

- Provide a suite of savings amounting to £9m of which the vast majority relate to either efficiency savings (£6.7m) or additional income (£1.4m) leaving just £0.9m, or 10%, to be achieved through service reductions
- In accordance with the Budget Consultation, provide significant protection from savings to both Adults Social Care and Children's Social Care
- Provide for an overall Council Tax increase of 4.99% in 2017/18 comprising 1.99% for General Purposes and 3.0% to be passported direct to Adult Social Care services.
- Provide assurance that with a 3% increase in Council Tax for Adult Social Care that existing and emerging cost pressures can be met therefore avoiding any further reductions to those services in 2017/18 which is critical for Adult Social Care services and the wider health system in the City
- Provide real growth in funding to Adult Social Care (after passporting the ASC Precept and New Burdens Funding)
- Require that for 2018/19 a minimum on-going savings sum of £4.0m be made
- Transfer £3.0m (from 2016/17 underspendings) to the MTRS Reserve recognising this as the Council's primary vehicle for providing funding for Spend to Save initiatives
- Supplement the Capital Resources available in 2017/18 by making a £3.5m transfer from Revenue in 2016/17 from savings achieved from the early implementation of the "Debt Repayment Holiday" to support the Capital Programme where there remains an enormous gap between Service needs, regeneration aspirations and the associated level of capital resources available
- Provide for any further underspendings for 2016/17 arising at the year-end (outside of those made by Portfolios) be transferred to Capital Resources in order to provide funding for known future requirements such as Secondary School Places, Sea Defences and enabling infrastructure for the City's development where there is a known funding shortfall and because this Capital Investment is likely to have a significant transformational effect on the City's growth potential

14.4 The proposed Budget for 2017/18 is financially balanced, robustly based and provides sufficient cover for anticipated and potential financial risks within the year. Furthermore, the overall financial health of the Council currently remains sound providing a good degree of resilience against an uncertain future.

- 14.5 The challenge for the Council continues to be driven by Government funding reductions coupled with the demand led costs from essential care services. Due to prudent financial management over a number of years, the scale of those savings is now starting to reduce and the forecast budget deficit for the 3 year period 2018/19 to 2020/21 is now £12m, amounting to £4m per annum for each of the next 3 years.
- 14.6 The essential care services of Adults Social Care and Children & Education continue to dominate the Council's costs at 66% of all controllable spend. Whilst entrepreneurial activities, income generation generally and improving the City's economy is a strong focus in its Medium Term Financial Strategy in its aim to avoid service reductions, all services of the Council, including essential care services, will need to continue to make meaningful contributions towards the overall £12m Budget Deficit.
- 14.7 Funding uncertainty still remains, particularly in 2020/21 when the Local Government funding system changes to 100% Business Rate Retention alongside the simultaneous implementation of the Fair Funding review, which will set the baseline level of funding from Business Rates.
- 14.8 Looking forward, the main risks to the Council's financial resilience include:
- The ability to make savings to meet the continuing funding reductions from Government
 - The demographic pressures arising from demand led essential Care Services
 - The extent to which new burdens arising from national policy changes will be fully funded
 - The level of Business Rates appeals and reliefs experienced plus the extent of Business growth or contraction
 - The level of uncertainty surrounding the forecast for Local Government funding from 2020/21.
 - The ability of the Council to meet its statutory Capital Investment obligations and aspirations for economic growth in the future
- 14.9 Given the level of savings required over the next 3 years of £12m, the degree of uncertainty that exists and the inevitable financial pressures that the Council will face, it is important that the Council continues to follow its Medium Term Financial Strategy. The Council should be particularly mindful of the potential future income or reduced demand / costs that the Council could derive through the delivery of its Capital Programme. This is likely to be the biggest influence on enabling jobs, growth and overall improved prosperity within the City.

15. Equality Impact Assessment (EIA)

- 15.1 Consideration of the impact of budget pressures and proposed savings on all customers, services and staff has been taken into account in formulating this budget. The proposed Budget 2017/18 is based on the savings proposals set out in the report to Council in December 2016. Those savings were proposals only for the purposes of setting Portfolio Cash Limits and the overall City Council Budget. Whilst most are likely to be implemented, there will be some that require further consultation and appropriate Equality Impact Assessments to be considered before any implementation can take place. For this reason, Portfolio holders have the discretion to alter, amend or substitute any proposal with an alternative proposal following appropriate consultation.
- 15.2 A city-wide budget consultation took place during September and October to help inform how to make £24m of savings over the period 2017/18 to 2019/20. 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.
- 15.3 With regard to this report, a public meeting of the Scrutiny Management Panel was also held on the 6 February 2017 where a presentation was made of the proposed Council Tax and Revenue Budget 2017/18 and the Council's future financial forecasts for 2018/19 to 2020/21. The Scrutiny Management Panel have again had the opportunity to raise or refer any comments or representations to the Cabinet prior to this City Council meeting.

16. City Solicitor's Comments

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

17. S.151 Officer's Comments

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

.....
Signed by: Section 151 Officer

Appendices:

- A** General Fund Summary
- B** Forecast Expenditure 2017/18 to 2020/21

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

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

| Title of document | Location |
|---|--|
| Budget Working Papers | Office of Director of Finance & Information Services |
| Local Government Finance Settlement 2017/18 | Office of Director of Finance & Information Services |

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by the City Council on 14 February 2017.

.....
Signed by: Leader of Portsmouth City Council

APPENDIX A

Calculation of the Council Tax 2017/18

| <u>Portsmouth City Council</u> | 2017/18 | 2016/17 |
|---|-------------------|-------------------|
| | £ | £ |
| Gross Expenditure | 463,193,930 | 478,280,306 |
| LESS: Gross Income | (352,074,188) | (363,899,471) |
| Net Expenditure 2017/18 | 111,119,742 | 114,380,835 |
| LESS: Government Grants | (40,346,160) | (49,152,909) |
| Council Tax Requirement - Portsmouth City Council Purposes | 70,773,582 | 65,227,926 |
| Council Tax Base | 55,329.9 | 53,538.8 |
| Council Tax - Portsmouth City Council Purposes at Band D <u>70,773,582</u> 55,329.9 = | £1,279.12 | £1,218.33 |

| <u>Hampshire Police & Crime Commissioner Precept</u> | 9,154,885 | 8,590,836 |
|--|------------------|------------------|
| Council Tax - Hampshire Police & Crime Commissioner Purposes at Band D | £165.46 | £160.46 |

| <u>Hampshire Fire and Rescue Authority Precept</u> | 3,532,261 | 3,351,529 |
|--|------------------|------------------|
| Council Tax - Hampshire Fire and Rescue Authority Purposes at Band D | £63.84 | £62.60 |

The Council Tax to be levied for all bands in 2017/18 will be as follows :

| | | Portsmouth City Council £ | Hampshire Police & Crime Commissioner £ | Hampshire Fire & Rescue Authority £ | TOTAL 2017/18 £ | TOTAL 2016/17 £ |
|-------------------------------------|---|------------------------------------|--|--|--------------------------------|--------------------------------|
| Estimated Valuation as 1 April 1991 | | | | | | |
| Up to £40,000 | A | 852.75 | 110.31 | 42.56 | 1,005.62 | 960.92 |
| £40,001 - £52,000 | B | 994.87 | 128.69 | 49.65 | 1,173.21 | 1,121.08 |
| £52,001 - £68,000 | C | 1,137.00 | 147.08 | 56.75 | 1,340.83 | 1,281.23 |
| £68,001 - £88,000 | D | 1,279.12 | 165.46 | 63.84 | 1,508.42 | 1,441.39 |
| £88,001 - £120,000 | E | 1,563.37 | 202.23 | 78.03 | 1,843.63 | 1,761.70 |
| £120,001 - £160,000 | F | 1,847.62 | 239.00 | 92.21 | 2,178.83 | 2,082.10 |
| £160,001 - £320,000 | G | 2,131.87 | 275.77 | 106.40 | 2,514.04 | 2,402.31 |
| £320,001 and over | H | 2,558.24 | 330.92 | 127.68 | 3,016.84 | 2,882.78 |

GENERAL FUND SUMMARY - 2016/17 to 2020/21

APPENDIX A

| Original Budget 2016/17 £ | NET REQUIREMENTS OF PORTFOLIOS | Revised Budget 2016/17 £ | Original Budget 2017/18 £ | Forecast 2018/19 £ | Forecast 2019/20 £ | Forecast 2020/21 £ |
|---------------------------|--|--------------------------|---------------------------|---------------------|--------------------|--------------------|
| 24,566,700 | Children's Social Care | 24,053,500 | 23,842,700 | 25,292,700 | 26,013,400 | 26,712,800 |
| 10,232,060 | Culture Leisure & Sport | 10,423,760 | 10,160,860 | 10,345,160 | 10,561,460 | 10,771,560 |
| 25,037,557 | Education | 25,107,657 | 24,247,457 | 24,378,857 | 24,531,257 | 24,635,857 |
| 16,029,713 | Environment & Community Safety | 15,759,113 | 15,800,013 | 16,162,613 | 16,573,113 | 16,970,713 |
| 42,250,279 | Health & Social Care | 45,355,779 | 45,432,879 | 49,412,779 | 52,208,479 | 53,464,279 |
| 9,348,628 | Housing | 9,288,528 | 9,040,528 | 9,031,628 | 9,132,828 | 9,228,128 |
| 257,853 | Leader | 141,953 | 144,153 | 147,353 | 151,153 | 154,953 |
| 3,688,129 | Planning Regeneration Economic Development | 2,821,929 | 37,329 | (248,871) | (1,305,271) | (1,984,271) |
| 22,218,534 | Resources | 22,440,234 | 22,758,234 | 23,282,634 | 24,009,234 | 24,671,034 |
| 14,894,007 | Traffic & Transportation | 16,022,207 | 14,605,707 | 16,409,407 | 15,882,907 | 14,262,207 |
| 249,700 | Governance, Audit & Standards Committee | 324,400 | 88,600 | 92,100 | 97,300 | 103,700 |
| (210,295) | Licensing Committee | (218,995) | (215,595) | (222,895) | (230,095) | (235,395) |
| 168,562,865 | Portfolio Expenditure | 171,520,065 | 165,942,865 | 174,083,465 | 177,625,765 | 178,755,565 |
| | Other Expenditure | | | | | |
| 0 | Precepts | 0 | 0 | 37,300 | 38,400 | 39,400 |
| (125,000) | Portchester Crematorium - Share of Dividend | (130,000) | (135,000) | (130,000) | (130,000) | (130,000) |
| 6,672,000 | Pension Costs | 6,672,000 | 7,172,000 | 7,672,000 | 8,224,800 | 8,517,900 |
| 6,673,600 | Contingency Provision | 4,252,200 | 6,689,000 | 4,451,000 | 4,301,000 | 4,301,000 |
| 1,565,500 | Revenue Contributions to Capital Reserve | 7,208,500 | 8,000,000 | 3,600,000 | 2,500,000 | 0 |
| (438,300) | Transfer to / (from) Other Reserves | (2,029,700) | 764,100 | 1,131,300 | 1,592,600 | 592,600 |
| (27,242,965) | Asset Management Revenue Account | (31,630,765) | (28,702,765) | (29,161,265) | (28,007,265) | (26,362,865) |
| 2,325,000 | Other Expenditure | 1,135,000 | 1,912,800 | 1,912,800 | 2,662,800 | 3,412,800 |
| (10,570,165) | Other Expenditure | (14,522,765) | (4,299,865) | (10,486,865) | (8,817,665) | (9,629,165) |
| 157,992,700 | TOTAL NET EXPENDITURE | 156,997,300 | 161,643,000 | 163,596,600 | 168,808,100 | 169,126,400 |
| | FINANCED BY: | | | | | |
| (1,426,053) | Contribution (to) from Balances and Reserves | (2,815,954) | (583,761) | 3,895,828 | 8,905,653 | 11,385,365 |
| 30,363,225 | Revenue Support Grant | 30,363,225 | 22,313,120 | 16,956,584 | 11,482,606 | 7,033,788 |
| 45,620,478 | Business Rates Retention | 45,659,100 | 49,632,941 | 49,678,070 | 51,445,130 | 52,522,670 |
| 18,433,805 | Other General Grants | 18,789,684 | 18,033,040 | 18,760,829 | 21,191,007 | 20,892,580 |
| 65,001,245 | Council Tax | 65,001,245 | 72,247,660 | 74,305,289 | 75,783,704 | 77,291,997 |
| 157,992,700 | | 156,997,300 | 161,643,000 | 163,596,600 | 168,808,100 | 169,126,400 |
| | BALANCES & RESERVES | | | | | |
| 16,395,712 | Balance brought forward at 1 April | 16,411,215 | 19,227,169 | 19,810,930 | 15,915,102 | 7,009,449 |
| 1,426,053 | Deduct (Deficit) / Add Surplus for Year | 2,815,954 | 583,761 | (3,895,828) | (8,905,653) | (11,385,365) |
| 17,821,765 | Balance carried forward at 31 March | 19,227,169 | 19,810,930 | 15,915,102 | 7,009,449 | (4,375,916) |
| 7,000,000 | Minimum Level of Balances | 7,000,000 | 7,000,000 | 7,000,000 | 7,000,000 | 7,000,000 |
| (1,426,053) | Underlying Budget Deficit / (Surplus) | (2,815,954) | (583,761) | 3,895,828 | 8,905,653 | 11,385,365 |

APPENDIX B**FORECAST EXPENDITURE 2017/18 to 2020/21**

| | Forecast 2017/18 £'000 | Forecast 2018/19 £'000 | Forecast 2019/20 £'000 | Forecast 2020/21 £'000 |
|---------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| Service Cash Limits | 114,081 | 122,219 | 125,752 | 126,879 |
| Contingency | 6,689 | 4,451 | 4,301 | 4,301 |
| Debt financing costs | 21,750 | 21,292 | 22,446 | 24,090 |
| Levies and insurance premiums | 1,409 | 1,412 | 1,421 | 1,424 |
| Other income/expenditure | 17,713 | 14,222 | 14,888 | 12,433 |
| | 161,642 | 163,596 | 168,808 | 169,127 |
| <u>Less</u> | | | | |
| - Council Tax Income | 72,248 | 74,305 | 75,784 | 77,292 |
| - Revenue Support Grant | 22,313 | 16,957 | 11,483 | 7,034 |
| - Business Rates Retention | 49,633 | 49,678 | 51,445 | 52,523 |
| - Other General Grants | 18,033 | 18,761 | 21,191 | 20,893 |
| | 162,227 | 159,701 | 159,903 | 157,742 |
| Budget (Deficit)/Surplus | 585 | (3,895) | (8,905) | (11,385) |

Deficits in 2018/19 to 2020/21 reflect future savings requirements

From CABINET MEETING held on 9 February 2017

Council Agenda Item 8 (Cabinet minute 7)

**Portsmouth City Council - Budget & Council Tax 2017/18
& Medium Term Budget Forecast 2018/19 to 2020/21**

RECOMMENDED:

- (1) That the following be approved in respect of the Council's Budget:
 - (a) The revised Revenue Estimates for the financial year 2016/17 and the Revenue Estimates for the financial year 2017/18 as set out in the General Fund Summary (Appendix A)
 - (b) The Portfolio Cash Limits for the Revised Budget for 2016/17 and Budget for 2017/18 as set out in Sections 7 and 9, respectively
 - (c) That £3.5m be transferred to the Revenue Reserve for Capital to supplement the resources available for the Capital Programme in order to ensure the Council can properly meet its statutory responsibilities including School Places, Sea Defences and potential match funding commitments for the City Centre Road
 - (d) That £3.0m be transferred to the MTRS Reserve to restore it to a level sufficient to enable the Council to pursue both Spend to Save schemes, Invest to Save schemes and fund redundancy costs, all aimed at facilitating the Council's savings strategy
 - (e) That £1.9m is carried forward from 2016/17 to 2017/18 in respect of contingent items that were expected to arise in 2016/17 but are now expected to occur in 2017/18
 - (f) Any further underspendings for 2016/17 arising at the year-end outside of those made by Portfolios be transferred to Capital Resources in order to provide funding for known future commitments such as Secondary School Places, Sea Defences and the enabling transport infrastructure necessary for the City's development and growth which have, as yet, insufficient funding
 - (g) Any variation to the Council's funding arising from the final Local Government Finance Settlement be accommodated by a transfer to or from General Reserves.
 - (h) The S.151 Officer be given delegated authority to make any necessary adjustments to Cash Limits within the overall approved Budget and Budget Forecasts

- (i) That the level of Council Tax be increased by 1.99% for general purposes in accordance with the referendum threshold¹ for 2017/18 announced by Government (as calculated in recommendation 4 (d))
 - (j) That the level of Council Tax be increased by a further 3.0% beyond the referendum threshold (as calculated in recommendation 4 (d)) to take advantage of the flexibility offered by Government to implement a "Social Care Precept"; and that in accordance with the conditions of that flexibility, the full amount of the associated sum generated of £2,022,300 is passported direct to Adult Social Care
 - (k) Managers be authorised to incur routine expenditure against the Cash Limits for 2017/18 as set out in Section 9
 - (l) That the savings requirement for 2018/19 be set at a minimum on-going sum of £4.0m
 - (m) That the S.151 Officer be given delegated authority to make transfers to and from reserves in order to ensure that they are maintained as necessary and in particular, adjusted when reserves are no longer required or need to be replenished
 - (n) Directors be instructed to start planning how the City Council will achieve the savings requirements shown in Section 10 and that this be incorporated into Service Business Plans
 - (o) The minimum level of General Reserves as at 31 March 2017 be maintained at £7.0m (£7.0m in 2016/17) to reflect the known and expected budget and financial risks to the Council
 - (p) Members have had regard for the Statement of the Section 151 Officer in accordance with the Local Government Act 2003 as set out in Section 13.
- (2) That the following be noted in respect of the Council's Budget:
- (a) The Revenue Estimates 2017/18 as set out in Appendix A have been prepared on the basis that the 3% tax increase for the "Social Care Precept" (amounting to £2,022,300) is passported to Adult Social Care in order to provide for otherwise unfunded budget pressures including the cost of the new National Living Wage and demographic pressures arising from a "living longer" population
 - (b) The decision on the amount at which to set the Adult Social Care precept will be critical for the Social Care and wider Health system in the City; in the event that the additional flexibility of the "Social Care Precept" and associated 3% tax increase (amounting to £674,100 for each 1%) is not taken, then equivalent savings will need to be made in Adult Social Care in 2017/18

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

- (c) In general, any reduction from the 4.99% Council Tax increase proposed will require additional savings of £674,100 for each 1% reduction in order for the Budget 2017/18 to be approved
- (d) The Revenue Forecast for 2018/19 onwards as set out in Section 10 and Appendix B
- (e) The estimated Savings Requirement of £12m for the three year period 2018/19 to 2020/21, for financial and service planning purposes, be phased as follows:

| Financial Year | In Year Savings Requirement £m | Cumulative Saving £m |
|----------------|-----------------------------------|-------------------------|
| 2018/19 | 4.0 | 4.0 |
| 2019/20 | 4.0 | 8.0 |
| 2020/21 | 4.0 | 12.0 |

- (f) The MTRS Reserve held to fund the upfront costs associated with Spend to Save Schemes, Invest to Save Schemes and redundancies will hold an uncommitted balance of £4.4m² and will only be replenished in future from an approval to the transfer of any underspends, contributions from the Revenue Budget or transfers from other reserves which may no longer be required
 - (g) The Council Tax element of the Collection Fund for 2016/17 is estimated to be a surplus of £1,743,962 which is shared between the City Council (85%), Police & Crime Commissioner (11%) and the Hampshire Fire & Rescue Authority (4%)
 - (h) The Business Rate element of the Collection Fund for 2016/17 is estimated to be a surplus of £3,017,262 which is shared between the City Council (49%), the Government (50%) and the Hampshire Fire & Rescue Authority (1%)
 - (i) The Retained Business Rate income³ for 2017/18 (excluding "Top Up") based on the estimated Business Rate element of the Collection Fund surplus as at March 2017, the Non Domestic Rates poundage for 2017/18 and estimated rateable values for 2017/18 has been set at £43,648,937
- (3) That the S.151 Officer has determined that the Council Tax base for the financial year 2017/18 will be **55,329.9** [item T in the formula in Section 31 B(1) of the Local Government Finance Act 1992, as amended (the "Act")].

² Including the transfer into the reserve of £3.0m contained with the recommendations in this report

³ Including the Portsmouth City Council element of the Collection Fund surplus of £1,478,458, S31 Grants of £2,217,322 and excluding the "Top Up" grant from Government of £5,984,004.

- (4) That the following amounts be now calculated by the Council for the financial year 2017/18 in accordance with Section 31 and Sections 34 to 36 of the Local Government Finance Act 1992:

| | | |
|-----|--------------|--|
| (a) | £463,193,930 | Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act. |
| (b) | £392,420,348 | Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act. |
| (c) | £70,773,582 | Being the amount by which the aggregate at 4 (a) above exceeds the aggregate at 4(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. (Item R in the formula in Section 31B(1) of the Act. |
| (d) | £1,279.12 | Being the amount at 4(c) above (Item R), all divided by Item 3 above (Item T), calculated by the Council, in accordance with Section 31B(1) of the Act, as the basic amount of its Council Tax for the year. |

(e) Valuation Bands (Portsmouth City Council)

| A | B | C | D | E | F | G | H |
|--------|--------|----------|----------|----------|----------|----------|----------|
| £ | £ | £ | £ | £ | £ | £ | £ |
| 852.75 | 994.87 | 1,137.00 | 1,279.12 | 1,563.37 | 1,847.62 | 2,131.87 | 2,558.24 |

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

- (5) That it be noted that for the financial year 2017/18 the Hampshire Police & Crime Commissioner is consulting upon the following amounts for the precept to be issued to the Council in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of the dwellings shown below:

Valuation Bands (Hampshire Police & Crime Commissioner)

| A | B | C | D | E | F | G | H |
|--------|--------|--------|--------|--------|--------|--------|--------|
| £ | £ | £ | £ | £ | £ | £ | £ |
| 110.31 | 128.69 | 147.08 | 165.46 | 202.23 | 239.00 | 275.77 | 330.92 |

- (6) That it be noted that for the financial year 2017/18 Hampshire Fire and Rescue Authority are recommending the following amounts for the precept issued to the Council in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of the dwellings shown below:

Valuation Bands (Hampshire Fire & Rescue Authority)

| A | B | C | D | E | F | G | H |
|----------|----------|----------|----------|----------|----------|----------|----------|
| £ | £ | £ | £ | £ | £ | £ | £ |
| 42.56 | 49.65 | 56.75 | 63.84 | 78.03 | 92.21 | 106.40 | 127.68 |

- (7) That having calculated the aggregate in each case of the amounts at 4(e), 5 and 6 above, the Council, in accordance with Sections 31A, 31B and 34 to 36 of the Local Government Finance Act 1992 as amended, hereby sets the following amounts as the amounts of Council Tax for the financial year 2017/18 for each of the categories of dwellings shown below:

Valuation Bands (Total Council Tax)

| A | B | C | D | E | F | G | H |
|----------|----------|----------|----------|----------|----------|----------|----------|
| £ | £ | £ | £ | £ | £ | £ | £ |
| 1,005.62 | 1,173.21 | 1,340.83 | 1,508.42 | 1,843.63 | 2,178.83 | 2,514.04 | 3,016.84 |

- (8) The Council determines in accordance with Section 52ZB of the Local Government Finance Act 1992 that the Council's basic amount of Council Tax for 2017/18, which represents a 4.99% increase, is not excessive in accordance with the principles approved by the Secretary of State under Section 52ZC of the Act.

The 4.99% increase includes a 3% increase to support the delivery of Adult Social Care.

As the billing authority, the Council has not been notified by a major precepting authority (the Police and Crime Commissioner for Hampshire or the Hampshire Fire & Rescue Authority) that its relevant basic amount of Council Tax for 2017/18 is excessive and that the billing authority is not required to hold a referendum in accordance with Section 52ZK of the Local Government Finance Act 1992.

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

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AGENDA ITEM 8 - Portsmouth City Council Budget & Council Tax 2017/18 & Medium Term Budget Forecast 2018/19 to 2020/21

Amendment to Cabinet recommendations attached.

Proposed by (Name) Councillor Stephen Morgan

Signed _____


Seconded by (Name) Ellen Y. Chowdhry

Signed _____


Amendment proposed by the Labour Group

Portsmouth City Council - Budget & Council Tax 2017/18 & Medium Term Budget Forecast 2018/19 to 2020/21

That the recommendations of the Cabinet of 9 February 2017 (Minute 7/17) on "Portsmouth City Council - Budget & Council Tax 2017/18 & Medium Term Budget Forecast 2018/19 to 2020/21 be amended as follows:-

Recommendation 1 (a) be amended to

1(a) The revised Revenue Estimates for the financial year 2016/17 and the Revenue Estimates for the financial year 2017/18 as set out in the General Fund Summary (Appendix A amended) including the changes described in paragraph 1(q) below:-

1(q) the following changes be made to Cash Limits for 2017/18 and future years as set out in the table below, but Members note 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 or additions within those Portfolios/Committees, that responsibility is reserved for Cabinet Members. The budget savings and additions in the tables below are therefore indicative only.

i) Reductions to Revenue Estimates

| Indicative Portfolio Savings Proposal | Impact on Level of Service & Service Outcomes | 2017/18 | 2018/19 & Future Years |
|---|---|------------------|------------------------|
| | | £ | £ |
| Resources | | | |
| 20% Reduction in the Basic Councillor Allowance* | A reduction in allowances may cause the future recruitment of Councillors to be more challenging | (80,000) | (80,000) |
| 25% Reduction in the Special Responsibility Allowance* | A reduction in allowances may discourage Councillors from accepting Cabinet or Committee posts | (20,000) | (20,000) |
| A reduction in Cabinet Members from 9 to 7 ** | A re-organisation of the portfolios of Cabinet Members such that some (or all) of the remaining Cabinet Members take on increased responsibilities. | 0** | 0** |
| A move to 'All Out' (whole Council) Elections*** | Election of members would take place once every four years | 0*** | 0*** |
| Reduction in support to the Leader's Office | Reduction in the availability and effectiveness of the Leader of the Council to promote the City and undertake Council duties | (35,000) | (42,000) |
| Reduce number of HR Business Partners by 1 full time equivalent member of staff | Business partners are the most senior HR support for directorates. A reduction in capacity will present a risk to the organisation, including the capacity to properly support organisational change and the associated risk of legal challenge as well as the ability to expand its commercial activities. | (45,000) | (54,000) |
| Reduce Administrative Support provided to Directors | Reduction in the capacity, availability and accessibility of Senior Officers. Senior Officers will spend a meaningful proportion of their time on administrative functions | (54,000) | (65,000) |
| Reduce role and function of communications team | Limited ability to respond to the media, provide information to the public and run campaigns. Potential negative impact on income and access to services | (50,000) | (60,000) |
| Total | | (284,000) | (321,000) |

*** Members should have regard to the report of the Independent Remuneration Panel and recommendations of Council on 22nd January 2013 as amended by the City Council on 15 July 2014.**

**** Members should note that, in accordance with the Local Government Act 2000, this is a decision for the Leader of the Council not the Council itself. In the event that the Leader elects to take such a decision, the savings amount will increase by £15,000.**

***** The required process for moving to whole council elections would be as follows**

- I. Full Council resolves to undertake public consultation as the Council thinks appropriate on any proposed change
- II. Have regard to the outcome of the consultation before making its decision
- III. Convene a special meeting of the Council
- IV. Full Council must pass a resolution by a two-thirds majority of those voting at that Special meeting
- V. The resolution must specify the commencement year (earliest date would be May 2018)
- VI. The resolution is the means by which the term of office is reduced for any members whose term would not be completed
- VII. Any election(s) scheduled to take place before the start date indicated in the Council's resolution would continue as normal
- VIII. An explanatory document on the decision must be published after the resolution is made
- IX. The Council must notify the Boundary Commission of the scheme adopted and the commencement year
- X. If the Council resolves to change to whole council elections, the decision cannot be reversed until five years from the date of the resolution

The earliest implementation date would be from May 2018 and the saving is estimated to be £43,000 per annum.

The relevant legislation is contained in sections 32-36 of the Local Government and Public Involvement in Health Act 2007 (as amended by the Localism Act 2011)

ii) Additions to Revenue Estimates

| Saving No. | Increases to Portfolio Cash Limits - Deletion of Indicative Savings and/or New Spending Proposals | 2017/18 | 2018/19 & Future Years |
|--------------|--|-----------------|------------------------|
| | | £ | £ |
| 080 | Increase Trade Union Support to 80% of 2016/17 level | 22,500 | 22,500 |
| New | To invest in Adult Social Care in order to respond to increases in both cost and demand for care services arising from the general growth in the elderly population and the increase in complexity of care needs | 261,500* | 298,500* |
| Total | | 284,000* | 321,000* |

* In the event that the Leader accepts the proposal to reduce the number of Cabinet Members from 9 to 7, then the amount available for this proposal will increase by £15,000 from 2017/18 onwards

In the event that Council resolves to implement whole Council elections then the amount available for this proposal would further increase by £43,000 per annum from 2018/19 onwards

Recommendation 1(b) be amended to:-

1(b) The Portfolio Cash Limits for the Revised Budget for 2016/17 and Budget for 2017/18 as set out in Sections 7 and 9, respectively as amended by paragraph 1(r) below:-

1(r) The following changes be made to Cash Limits for 2017/18 and future years

| Portfolio / Committee | 2017/18 £ | Future Years £ |
|--------------------------------|----------------------|----------------------|
| Health & Social Care Resources | 261,500 (261,500) | 298,500 (298,500) |
| Total | 0 | 0 |

SECTION 151 OFFICER'S COMMENTS

Under Recommendation 1(p), the Section 151 Officer advises as follows:-

The proposals contained within this amendment do not alter the statements made by the Section 151 Officer in Section 13 of this report.

CITY SOLICITOR'S COMMENTS

The City Solicitor is satisfied that it is within the City Council's powers to approve the amendment as set out, and supports the advice of the Section 151 Officer given above.

Labour Group Amendment

GENERAL FUND SUMMARY - 2016/17 to 2020/21

APPENDIX A (Amended)

| Original Budget 2016/17 £ | NET REQUIREMENTS OF PORTFOLIOS | Revised Budget 2016/17 £ | Original Budget 2017/18 £ | Forecast 2018/19 £ | Forecast 2019/20 £ | Forecast 2020/21 £ |
|------------------------------------|--|-----------------------------------|------------------------------------|--------------------------|--------------------------|--------------------------|
| 24,566,700 | Children's Social Care | 24,053,500 | 23,842,700 | 25,292,700 | 26,013,400 | 26,712,800 |
| 10,232,060 | Culture Leisure & Sport | 10,423,760 | 10,160,860 | 10,345,160 | 10,561,460 | 10,771,560 |
| 25,037,557 | Education | 25,107,657 | 24,247,457 | 24,378,857 | 24,531,257 | 24,635,857 |
| 16,029,713 | Environment & Community Safety | 15,759,113 | 15,800,013 | 16,162,613 | 16,573,113 | 16,970,713 |
| 42,250,279 | Health & Social Care | 45,355,779 | 45,694,379 | 49,718,179 | 52,522,979 | 53,787,279 |
| 9,348,628 | Housing | 9,288,528 | 9,040,528 | 9,031,628 | 9,132,828 | 9,228,128 |
| 257,853 | Leader | 141,953 | 144,153 | 147,353 | 151,153 | 154,953 |
| 3,688,129 | Planning Regeneration Economic Development | 2,821,929 | 37,329 | (248,871) | (1,305,271) | (1,984,271) |
| 22,218,534 | Resources | 22,440,234 | 22,496,734 | 22,977,234 | 23,694,734 | 24,348,034 |
| 14,894,007 | Traffic & Transportation | 16,022,207 | 14,605,707 | 16,409,407 | 15,882,907 | 14,262,207 |
| 249,700 | Governance, Audit & Standards Committee | 324,400 | 88,600 | 92,100 | 97,300 | 103,700 |
| (210,295) | Licensing Committee | (218,995) | (215,595) | (222,895) | (230,095) | (235,395) |
| 168,562,865 | Portfolio Expenditure | 171,520,065 | 165,942,865 | 174,083,465 | 177,625,765 | 178,755,565 |
| | <i>Other Expenditure</i> | | | | | |
| 0 | Precepts | 0 | 0 | 37,300 | 38,400 | 39,400 |
| (125,000) | Portchester Crematorium - Share of Dividend | (130,000) | (135,000) | (130,000) | (130,000) | (130,000) |
| 6,672,000 | Pension Costs | 6,672,000 | 7,172,000 | 7,672,000 | 8,224,800 | 8,517,900 |
| 6,673,600 | Contingency Provision | 4,252,200 | 6,689,000 | 4,451,000 | 4,301,000 | 4,301,000 |
| 1,565,500 | Revenue Contributions to Capital Reserve | 7,208,500 | 8,000,000 | 3,600,000 | 2,500,000 | 0 |
| (438,300) | Transfer to / (from) Other Reserves | (2,029,700) | 764,100 | 1,131,300 | 1,592,600 | 592,600 |
| (27,242,965) | Asset Management Revenue Account | (31,630,765) | (28,702,765) | (29,161,265) | (28,007,265) | (26,362,865) |
| 2,325,000 | Other Expenditure | 1,135,000 | 1,912,800 | 1,912,800 | 2,662,800 | 3,412,800 |
| (10,570,165) | Other Expenditure | (14,522,765) | (4,299,865) | (10,486,865) | (8,817,665) | (9,629,165) |
| 157,992,700 | TOTAL NET EXPENDITURE | 156,997,300 | 161,643,000 | 163,596,600 | 168,808,100 | 169,126,400 |
| | FINANCED BY: | | | | | |
| (1,426,053) | Contribution (to) from Balances and Reserves | (2,815,954) | (583,761) | 3,895,828 | 8,905,653 | 11,385,365 |
| 30,363,225 | Revenue Support Grant | 30,363,225 | 22,313,120 | 16,956,584 | 11,482,606 | 7,033,788 |
| 45,620,478 | Business Rates Retention | 45,659,100 | 49,632,941 | 49,678,070 | 51,445,130 | 52,522,670 |
| 18,433,805 | Other General Grants | 18,789,684 | 18,033,040 | 18,760,829 | 21,191,007 | 20,892,580 |
| 65,001,245 | Council Tax | 65,001,245 | 72,247,660 | 74,305,289 | 75,783,704 | 77,291,997 |
| 157,992,700 | | 156,997,300 | 161,643,000 | 163,596,600 | 168,808,100 | 169,126,400 |
| | BALANCES & RESERVES | | | | | |
| 16,395,712 | Balance brought forward at 1 April | 16,411,215 | 19,227,169 | 19,810,930 | 15,915,102 | 7,009,449 |
| 1,426,053 | Deduct (Deficit) / Add Surplus for Year | 2,815,954 | 583,761 | (3,895,828) | (8,905,653) | (11,385,365) |
| 17,821,765 | Balance carried forward at 31 March | 19,227,169 | 19,810,930 | 15,915,102 | 7,009,449 | (4,375,916) |
| 7,000,000 | Minimum Level of Balances | 7,000,000 | 7,000,000 | 7,000,000 | 7,000,000 | 7,000,000 |
| (1,426,053) | Underlying Budget Deficit / (Surplus) | (2,815,954) | (583,761) | 3,895,828 | 8,905,653 | 11,385,365 |

AGENDA ITEM 8 - Portsmouth City Council Budget & Council Tax 2017/18 & Medium Term Budget Forecast 2018/19 to 2020/21

Amendment to Cabinet recommendations attached.

Proposed by (Name) G. VERNON - JACKSON

Signed  _____

Seconded by (Name) HUGH MASON

Signed  _____

Amendment proposed by the Liberal Democrat Group

Portsmouth City Council - Budget & Council Tax 2017/18 & Medium Term Budget Forecast 2018/19 to 2020/21

That the recommendations of the Cabinet of 9 February 2017 (Minute 7/17) on "Portsmouth City Council - Budget & Council Tax 2017/18 & Medium Term Budget Forecast 2018/19 to 2020/21 be amended as follows:-

Recommendation 1 (a) be amended to:

1(a) The revised Revenue Estimates for the financial year 2016/17 and the Revenue Estimates for the financial year 2017/18 as set out in the General Fund Summary (Appendix A amended) including the changes described in paragraph 1(q) below:-

1(q) the following changes be made to Cash Limits for 2017/18 and future years as set out in the table below, but Members note 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 or additions within those Portfolios/Committees, that responsibility is reserved for Cabinet Members. The budget savings and additions in the tables below are therefore indicative only.

i) **Reductions to Revenue Estimates**

| Indicative Portfolio Savings Proposal | Impact on Level of Service & Service Outcomes | 2017/18 | 2018/19 & Future Years |
|---|---|----------|------------------------|
| | | £ | £ |
| Resources | | | |
| Reduce resource available for strategy and performance related activity equivalent to 1 full time equivalent post | <p>Reductions in the following strategic and governance functions for the council:</p> <ul style="list-style-type: none"> - Maintaining the council's risk management and performance management frameworks - Providing support for PUSH - Bidding for external funding - Supporting key partnerships including Public Service Board and Health & Wellbeing Board - Project management and strategic support on major agendas such as devolution/combined authority, health integration - Leadership and support on specific projects, such as the regional adoption agency | (33,000) | (40,000) |
| Reduction in support to the Leader's Office | Reduction in the availability and effectiveness of the Leader of the Council to promote the City and undertake Council duties | (35,000) | (42,000) |
| Reduce number of HR Business Partners by 1 full time equivalent member of staff | Business partners are the most senior HR support for directorates. A reduction in capacity will present a risk to the organisation, including the capacity to properly support organisational change and the associated risk of legal challenge as well as the ability to expand its commercial activities. | (45,000) | (54,000) |

| Indicative Portfolio Savings Proposal | Impact on Level of Service & Service Outcomes | 2017/18 | 2018/19 & Future Years |
|---|---|----------|------------------------|
| | | £ | £ |
| Reduce Administrative Support provided to Directors | Reduction in the capacity, availability and accessibility of Senior Officers. Senior Officers will spend a meaningful proportion of their time on administrative functions | (54,000) | (65,000) |
| Reduce role and function of communications team | Limited ability to respond to the media, provide information to the public and run campaigns. Potential negative impact on income and access to services | (50,000) | (60,000) |
| <u>Traffic & Transportation</u> | | | |
| <u>Re-instatement of MB Parking Zone</u> to improve the current parking policy through the efficient management of on-street parking in the area and in accordance with the vote from residents | Expected to lead to additional parking demand in adjacent areas as a consequence of displacement. This is likely to generate further requests for residents parking schemes. | (22,000) | (49,000) |
| <u>Re-instatement of MC Parking Zone</u> to improve the current parking policy through the efficient management of on-street parking in the area and in accordance with the vote from residents | Expected to lead to additional parking demand in adjacent areas as a consequence of displacement. This is likely to generate further requests for residents parking schemes. | (52,000) | (98,000) |
| Implementation of residents' car parking zones to improve the current parking policy through the efficient management of on-street parking and in the areas where residents have voted in favour of doing so. <u>North Kings:</u> (Area 1 of the Five Zone Survey of Central Southsea 2014) | Expected to lead to additional parking demand in adjacent areas as a consequence of displacement. This is likely to generate further requests for resident's parking schemes. | (4,000) | (44,000) |

| Indicative Portfolio Savings Proposal | Impact on Level of Service & Service Outcomes | 2017/18 | 2018/19 & Future Years |
|--|---|------------------|------------------------|
| | | £ | £ |
| <p>Implementation of residents' car parking zones to improve the current parking policy through the efficient management of on-street parking and in the areas where residents have voted in favour of doing so.</p> <p><u>Owens Gardens</u> - boundary Grove Road South, Elm Grove, Merton/Nelson Road and Victoria Road South: (Area 2 of the Five Zone Survey of Central Southsea 2014)</p> | Expected to lead to additional parking demand in adjacent areas as a consequence of displacement. This is likely to generate further requests for residents' parking schemes. | 1,000 | (30,000) |
| <p>Implementation of residents' car parking zones to improve the current parking policy through the efficient management of on-street parking and in the areas where residents have voted in favour of doing so.</p> <p><u>South Kings:</u> (Area 3 of the Five Zone Survey of Central Southsea 2014)</p> | Expected to lead to additional parking demand in adjacent areas as a consequence of displacement. This is likely to generate further requests for residents' parking schemes. | (4,000) | (45,000) |
| <p>Implementation of residents' car parking zones to improve the current parking policy through the efficient management of on-street parking and in the areas where residents have voted in favour of doing so.</p> <p><u>Boundary of Highland Road, Winter Road, Goldsmith Avenue and Francis Avenue:</u> (Area 5 of the Five Zone Survey of Central Southsea 2014)</p> | Expected to lead to additional parking demand in adjacent areas as a consequence of displacement. This is likely to generate further requests for residents' parking schemes. | (27,000) | (106,000) |
| Total | | (325,000) | (633,000) |

ii) Additions to Revenue Estimates

| Saving No. | Increases to Portfolio Cash Limits - Deletion of Indicative Savings | 2017/18 | 2018/19 & Future Years |
|--|---|---------|------------------------|
| | | £ | £ |
| <u>Culture, Leisure & Sport</u> | | | |
| New | Re-open Southsea Library on a Sunday | 12,000 | 12,000 |
| <u>Environment & Community Safety</u> | | | |
| 023 | Re-instate voluntary sector grant payments to Portsmouth Area Rape Crisis (£3,000) and Portsmouth Mediation Service (£8,000) | 11,000 | 11,000 |
| 026 | Re-instate (ahead of the re-building of Sea Defences) the reduction in reactive maintenance budget to the Sea Defences | 10,000 | 10,000 |
| New | Re-instatement of Domestic Violence Services | 130,000 | 130,000 |
| New | Additional enforcement of dog fouling and litter dropping to enhance footways and open spaces | 7,000 | 70,000 |
| New | Reinstate 50% the operation of the Hate Crime Prevention Service (Victim Support) which was discontinued from 2016/17 | 25,000 | 50,000 |
| New | Re-instatement of a fixed number of Free Bulky Waste Collections (means tested) | 10,000 | 10,000 |
| New | Provision of 10 Multi-Use Waste Bins located across the City | 7,000 | 7,000 |
| <u>Health & Social Care</u> | | | |
| New | Increased support for drug and alcohol detox services | 23,000 | 133,000 |
| <u>Housing</u> | | | |
| 051 | Re-instate 50% floating tenancy support for families | 25,000 | 25,000 |
| <u>Resources</u> | | | |
| New | Grant to Off the Record | 20,000 | 20,000 |
| New | Remove £2 floor for Council Tax Support | 12,000 | 12,000 |
| New | Increase in pay for the lowest paid to the level of the Living Wage as defined by the Living Wage Foundation, subject to the approval of the Employment Committee | 0 | 110,000 |

| Saving No. | Increases to Portfolio Cash Limits - Deletion of Indicative Savings | 2017/18 | 2018/19 & Future Years |
|-------------------------------------|---|----------------|------------------------|
| | | £ | £ |
| New | Repair and maintenance provision for the Yomper Statue in the event that it is transferred to the ownership of the City Council | 1,000 | 1,000 |
| Traffic & Transportation | | | |
| New | Additional 4 School Crossing Patrol Officers to be flexibly deployed as required across crossings city-wide | 20,000 | 20,000 |
| New | Protection (i.e. subsidies) for non-commercial but valuable bus routes which otherwise would be withdrawn | 12,000 | 12,000 |
| Total | | 325,000 | 633,000 |

Recommendation 1(b) be amended to:-

- 1(b) The Portfolio Cash Limits for the Revised Budget for 2016/17 and Budget for 2017/18 as set out in Sections 7 and 9, respectively as amended by paragraph 1(r) below:-
- 1(r) The following changes be made to Cash Limits for 2017/18 and future years

| Portfolio / Committee | 2017/18 £ | Future Years £ |
|--------------------------------|----------------------|-------------------------------|
| Culture, Leisure & Sport | 12,000 | 12,000 |
| Environment & Community Safety | 200,000 | 288,000 |
| Health & Social Care | 23,000 | 133,000 |
| Housing | 25,000 | 25,000 |
| Resources | (184,000) | (118,000) |
| Traffic & Transportation | (76,000) | (340,000) |
| Total | 0 | 0 |

SECTION 151 OFFICER'S COMMENTS

Under Recommendation 1(p), the Section 151 Officer advises as follows:-

The proposals contained within this amendment do not alter the statements made by the Section 151 Officer in Section 13 of this report.

CITY SOLICITOR'S COMMENTS

The City Solicitor is satisfied that it is within the City Council's powers to approve the amendment as set out, and supports the advice of the Section 151 Officer given above.

Liberal Democrat Group Amendment

GENERAL FUND SUMMARY - 2016/17 to 2020/21

APPENDIX A (Amended)

| Original Budget 2016/17 £ | NET REQUIREMENTS OF PORTFOLIOS | Revised Budget 2016/17 £ | Original Budget 2017/18 £ | Forecast 2018/19 £ | Forecast 2019/20 £ | Forecast 2020/21 £ |
|------------------------------|--|-----------------------------|------------------------------|-----------------------|-----------------------|-----------------------|
| 24,566,700 | Children's Social Care | 24,053,500 | 23,842,700 | 25,292,700 | 26,013,400 | 26,712,800 |
| 10,232,060 | Culture Leisure & Sport | 10,423,760 | 10,172,860 | 10,357,560 | 10,574,260 | 10,784,760 |
| 25,037,557 | Education | 25,107,657 | 24,247,457 | 24,378,857 | 24,531,257 | 24,635,857 |
| 16,029,713 | Environment & Community Safety | 15,759,113 | 16,000,013 | 16,456,013 | 16,875,313 | 17,281,313 |
| 42,250,279 | Health & Social Care | 45,355,779 | 45,455,879 | 49,656,379 | 52,459,379 | 53,721,979 |
| 9,348,628 | Housing | 9,288,528 | 9,065,528 | 9,057,228 | 9,159,228 | 9,255,228 |
| 257,853 | Leader | 141,953 | 144,153 | 147,353 | 151,153 | 154,953 |
| 3,688,129 | Planning Regeneration Economic Development | 2,821,929 | 37,329 | (248,871) | (1,305,271) | (1,984,271) |
| 22,218,534 | Resources | 22,440,234 | 22,574,234 | 23,049,034 | 23,764,734 | 24,417,834 |
| 14,894,007 | Traffic & Transportation | 16,022,207 | 14,529,707 | 16,068,007 | 15,535,107 | 13,906,807 |
| 249,700 | Governance, Audit & Standards Committee | 324,400 | 88,600 | 92,100 | 97,300 | 103,700 |
| (210,295) | Licensing Committee | (218,995) | (215,595) | (222,895) | (230,095) | (235,395) |
| 168,562,865 | Portfolio Expenditure | 171,520,065 | 165,942,865 | 174,083,465 | 177,625,765 | 178,755,565 |
| | Other Expenditure | | | | | |
| 0 | Precepts | 0 | 0 | 37,300 | 38,400 | 39,400 |
| (125,000) | Portchester Crematorium - Share of Dividend | (130,000) | (135,000) | (130,000) | (130,000) | (130,000) |
| 6,672,000 | Pension Costs | 6,672,000 | 7,172,000 | 7,672,000 | 8,224,800 | 8,517,900 |
| 6,673,600 | Contingency Provision | 4,252,200 | 6,689,000 | 4,451,000 | 4,301,000 | 4,301,000 |
| 1,565,500 | Revenue Contributions to Capital Reserve | 7,208,500 | 8,000,000 | 3,600,000 | 2,500,000 | 0 |
| (438,300) | Transfer to / (from) Other Reserves | (2,029,700) | 764,100 | 1,131,300 | 1,592,600 | 592,600 |
| (27,242,965) | Asset Management Revenue Account | (31,630,765) | (28,702,765) | (29,161,265) | (28,007,265) | (26,362,865) |
| 2,325,000 | Other Expenditure | 1,135,000 | 1,912,800 | 1,912,800 | 2,662,800 | 3,412,800 |
| (10,570,165) | Other Expenditure | (14,522,765) | (4,299,865) | (10,486,865) | (8,817,665) | (9,629,165) |
| 157,992,700 | TOTAL NET EXPENDITURE | 156,997,300 | 161,643,000 | 163,596,600 | 168,808,100 | 169,126,400 |
| | FINANCED BY: | | | | | |
| (1,426,053) | Contribution (to) from Balances and Reserves | (2,815,954) | (583,761) | 3,895,828 | 8,905,653 | 11,385,365 |
| 30,363,225 | Revenue Support Grant | 30,363,225 | 22,313,120 | 16,956,584 | 11,482,606 | 7,033,788 |
| 45,620,478 | Business Rates Retention | 45,659,100 | 49,632,941 | 49,678,070 | 51,445,130 | 52,522,670 |
| 18,433,805 | Other General Grants | 18,789,684 | 18,033,040 | 18,760,829 | 21,191,007 | 20,892,580 |
| 65,001,245 | Council Tax | 65,001,245 | 72,247,660 | 74,305,289 | 75,783,704 | 77,291,997 |
| 157,992,700 | BALANCES & RESERVES | 156,997,300 | 161,643,000 | 163,596,600 | 168,808,100 | 169,126,400 |
| 16,395,712 | Balance brought forward at 1 April | 16,411,215 | 19,227,169 | 19,810,930 | 15,915,102 | 7,009,449 |
| 1,426,053 | Deduct (Deficit) / Add Surplus for Year | 2,815,954 | 583,761 | (3,895,828) | (8,905,653) | (11,385,365) |
| 17,821,765 | Balance carried forward at 31 March | 19,227,169 | 19,810,930 | 15,915,102 | 7,009,449 | (4,375,916) |
| 7,000,000 | Minimum Level of Balances | 7,000,000 | 7,000,000 | 7,000,000 | 7,000,000 | 7,000,000 |
| (1,426,053) | Underlying Budget Deficit / (Surplus) | (2,815,954) | (583,761) | 3,895,828 | 8,905,653 | 11,385,365 |

Agenda item

| | |
|--|--|
| Decision maker: | Cabinet City Council |
| Subject: | Capital Programme 2016/17 to 2021/22 |
| Date of decision: | 9 th February 2017 (Cabinet) 14 th February 2017 (City Council) |
| Report by: | Director of Finance and Information Service & Section 151 Officer |
| Wards affected: | All |
| Key decision: | Yes |
| Budget & policy framework decision: | Yes |

1. Executive Summary

- 1.1 In accordance with the Council's Capital Strategy and Medium Term Financial Strategy the Administration, through these proposals, have prioritised those schemes that meet the Council's statutory responsibilities and those that are most likely to drive cost reduction for the Council and economic growth for the City.
- 1.2 The Administration's new scheme proposals contained within this report will lead to additional capital investment totalling £155.7m.
- 1.3 The programme has been designed to support educational attainment by investing £6.6m into school buildings. This will provide sufficient school places for the rising population and also meet the most critical repairs across the school estate, targeting resources at schools with the most acute needs. In addition a further £2.1m is being invested in other council buildings (including Children's Homes, Museums and Libraries) to ensure that they remain fit for purpose.
- 1.4 City Council contributions totalling £1.25m were made in 2016/17 towards an £89m¹ scheme for Sea Defence works across Old Portsmouth, Southsea and Eastney. A further firm contribution of £1.25m is now proposed with a future commitment (subject to sufficient available capital resources) of a further £3.5m in future years. In addition repair schemes at Kings Bastion and Old Portsmouth Sea Walls totalling £0.72m are also planned.
- 1.5 Significant investment continues to be made into core City transport infrastructure amounting to £2m. The continued investment in the Local Transport Plan facilitates economic development by ensuring transport networks are reliable and efficient; improves road and transport safety; manages the adverse impact of transport on the environment and promotes healthier travel. In addition, proposals for

¹ Assuming further contributions from the Council were made available in future periods of £3.5m

improvements to the Eastern Corridor Road Link, enhancements to the neighbourhood living and street environments and installation of variable message signs along Southsea Seafront are also planned by the Administration.

- 1.6 In order to unlock the economic potential of the City, the Administration proposes to increase firm City Council contributions towards a circa £45m² project for an upgraded City Centre access road by £3m. This scheme will ensure that all forms of transport can flow freely in and out of the City Centre in a way that accommodates future growth, enabling residents, tourists and businesses to access the City with ease and facilitating 2,600 additional homes and 9,700 permanent jobs. This will increase the contribution made available by the City Council to £15m in total.
- 1.7 An investment of £3.07m in new technology is planned to enable the replacement of ageing Children's and Adult Social Care software systems, from which the supplier will be withdrawing software support from 2020. These replacement applications will increase capability and ensure resilience whilst reducing annual running costs.
- 1.8 Finally, there are a range of other proposals that seek to both reduce Council costs and increase the income generating capacity of the Council itself, so that the Council is well positioned to meet its future savings requirements of £12m for the period 2018/19 to 2020/21.
- 1.9 To deliver these necessary schemes and to provide funding for the Council's Capital Expenditure commitments through a Revenue Contribution to Capital, the Administration proposes to implement early, the Council's strategy to take a "Debt Repayment Holiday" (originally planned for 2017/18) amounting to £3.1m. The Administration considers that this is the best way of utilising capital resources in accordance with the Council's Capital Strategy and Medium Term Financial Strategy.
- 1.10 The Council has the opportunity through its capital programme and borrowing powers to invest in both the regeneration of the City and cost reduction schemes for the Council itself. Capital investment needs and aspirations however continue to significantly exceed the resources available. Importantly, there are likely to be opportunities throughout the year to lever in additional external capital funding for schemes that have strong potential to be catalytic for economic growth but only if, the Council itself can provide matched funding contributions. As a consequence, to maximise the Capital Investment opportunities for the City, the "Budget & Council Tax 2017/18 & Medium Term Budget Forecast 2018/19 to 2020/21" report, elsewhere on this agenda, proposes that any further underspending, that arises at year end will also be used to supplement the Capital Resources available for 2017/18 and future years.

² Assuming further contributions from the Council were made available in future periods of £0-5.0m

2. Purpose

2.1 The purpose of this report is to:

- Summarise the key features of the Capital Strategy approved by the City Council on 4th February 2009 and the revised Capital Investment Priorities of the City Council, approved by City Council on 24th January 2012
- Highlight the inter-relationship between the capital programme, the revenue budget and the Medium Term Financial Strategy
- Determine the corporate capital resources available including:
 - Adjustments for under and overspendings to the existing approved Capital Programme
 - Update the capital resources available for all new and changed grants, capital receipts, revenue contributions and other contributions
 - The identification of any additional assets which the Administration wishes to declare surplus to requirements
- Seek approval of the overall Capital Programme and "new starts" (including the Housing Investment Capital Programme) for 2016/17 and future years in accordance with the Capital Strategy
- Describe and approve the Prudential Indicators arising from the revised Capital Programme 2016/17 to 2021/22
- Delegate authority to the S.151 Officer to alter the mix of capital funding to make best use of City Council resources

3. Recommendations

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

- 1) The Revised Capital Programme 2016/17 to 2021/22 attached as Appendix 1 which includes all additions, deletions and amendments for slippage and re-phasing described in Sections 6 and 8 be approved
- 2) The S.151 Officer be given delegated authority to determine how each source of finance is used to fund the overall Capital Programme and to alter the overall mix of financing, as necessary, to maximise the flexibility of capital resources used and minimise the ongoing costs of borrowing to the Council
- 3) That the S.151 Officer in consultation with the Leader of the Council be given delegated authority to release capital resources held back for any contingent items that might arise, and also for any match funding requirements that may be required of the City Council in order to secure additional external capital

funding (e.g. bids for funding from Government or the Solent Local Enterprise Partnership)

- 4) The following schemes as described in Section 9 and Appendix 2 be reflected within the recommended Capital Programme 2016/17 to 2021/22 and be financed from the available corporate capital resources:

| Recommended New Capital Schemes | | Corporate Resources Required £ | Total Scheme Value £ |
|---|---|---|-----------------------------|
| Education | | | |
| | Sufficiency of Secondary School Places | 2,670,000 | 4,470,000 |
| | Future Secondary School Places | 1,000,000 | 1,000,000 |
| | School Condition Projects | 1,000,000 | 1,100,000 |
| Children's Safeguarding | | | |
| | Children's Case Management Software Replacement | 1,907,000 | 1,907,000 |
| | Tangier Road Children's Home | 495,000 | 495,000 |
| | Beechside Children's Home | 55,000 | 55,000 |
| Culture, Leisure & Sport | | | |
| | Kings Bastion | 525,000 | 600,000 |
| | Charles Dickens' Gardens | 25,000 | 25,000 |
| | D Day Museum | 165,000 | 165,000 |
| | Contribution Towards Resurfacing South Parade Pier | 50,000 | 75,000 |
| | Installation of Shower Facilities at Canoe Lake | 10,000 | 10,000 |
| | Watersedge Park Building | 20,000 | 20,000 |
| | Edwardian Seafront Shelter | 70,000 | 80,000 |
| | Re-provision of Bandstand at West Battery Gardens | 40,000 | 40,000 |
| | Pop Up Kiosks - Southsea Seafront | 40,000 | 40,000 |
| Environment & Community Safety | | | |
| | Household Waste Collections | 111,200 | 111,200 |
| | Old Portsmouth Seawalls' Maintenance | 120,000 | 120,000 |
| | Southsea Sea Defences | 1,250,000 | 88,602,400 |
| Health & Social Care | | | |
| | Swift Software Replacement | 400,000 | 1,163,000 |
| Housing | | | |
| | Phase 1: Refresh of the Allaway Avenue Green and Surrounding Planting | 16,600 | 16,600 |
| | Hillside Youth & Community Centre - Outdoor Play | 166,000 | 166,000 |
| PRED | | | |
| | City Centre Road | 3,000,000 | 45,000,000 |
| | Renovation of Victoria Park Lodge | 100,000 | 100,000 |
| | Public Realm Improvements - Chaucer House | 594,000 | 594,000 |
| | Portsmouth Area Rape Crisis Service - Building Maintenance | 50,000 | 50,000 |
| Resources | | | |
| | Landlord's Maintenance | 591,000 | 831,000 |
| Traffic & Transportation | | | |
| | Seafront Variable Message Signs | 52,000 | 75,800 |

| Recommended New Capital Schemes | | Corporate Resources Required £ | Total Scheme Value £ |
|---|---|---|---------------------------------|
| | Eastern Corridor Road Link Improvements | 500,000 | 500,000 |
| | Improvements to Neighbourhood Living & Street Environment | 200,000 | 200,000 |
| | Local Transport Plan | 1,200,000 | 1,200,000 |
| | Old Portsmouth Area Study | 40,000 | 40,000 |
| Total Recommended Sum To Be Approved | | 16,462,800 | 148,852,000 |

- 5) The following schemes as described in Section 10 and Appendix 2 be approved as Invest To Save Schemes and funded from Prudential Borrowing (subject to the approval of a detailed financial appraisal by the S.151 Officer) up to the limit shown:

| | Prudential Borrowing Required £ |
|---|--|
| Utilities and Energy Management | 1,031,100 |
| Investment in Solar Photovoltaic Cells | 3,400,000 |
| Total Recommended Sum to be Approved | 4,431,100 |

- 6) The following Schemes as described in Section 15 be included within the "Reserve List" of Capital Schemes to be considered once additional capital resources are identified

| Future Priority Capital Schemes – Not in Priority Order |
|--|
| Secondary School Places 2019/20 to 2021/22 |
| Special Educational Needs Re-modelling |
| School Condition (roofs, boilers, electrics, windows etc.) |
| Sea Defences Contribution to £89m Scheme |
| Enabling Transport Infrastructure match funding - City development |
| Landlords Repairs & Maintenance |
| Local Transport Plan - Road safety and traffic improvement schemes |

- 7) The Prudential Indicators described in Section 16 and set out in Appendix 3 be approved.

3.2 That the following be noted in respect of the Council's Capital Programme:

- 1) That the capital resources proposed to be allocated include £3.5m of funding from Revenue as recommended in the "Budget and Council Tax 2017/18 & Medium Term Budget Forecast 2018/19 to 2020/21" report contained elsewhere on this agenda. In the event that this funding is not approved, schemes with Corporate Capital Resources amounting to £3.5m will be required to be removed from the new schemes starting in 2017/18 detailed in Appendix 2

- 2) The passported Capital Allocations (Ring-fenced Grants) as set out in Section 7
- 3) As outlined in Section 12 and Appendix 2, the use of The Parking Reserve to fund the refurbishment of lifts at Isambard Brunel Car Park at a cost of £240,000; and a contribution of £23,800 towards the cost of installing Variable Message Signs along Southsea Seafront
- 4) As outlined in Section 13 and Appendix 2, the release of £70,000 from the Culture, Leisure & Sport Portfolio Reserve to fund:
 - a. the relocation of the café and children's play area within Southsea Library and
 - b. the replacement of the automatic main entrance door at Southsea Library
- 5) As outlined in Section 14 and Appendix 2 the use of The Prevention (Public Health) Reserve to fund enhanced Assistive Technology to residents with an Adult Social Care need at a total cost of £300,000
- 6) The City Council note that Prudential Borrowing can only be used as a source of capital finance for Invest to Save Schemes as described in Section 16

4. Background

4.1 On the 4th February 2009 the City Council approved the Capital Strategy 2008 - 2018. The key features of that strategy, which have been considered in the development of the Administration's Capital Programme proposals, are as follows:

- Contribution to the Corporate Plan & Vision for Portsmouth for non-commercial activities (Replaced by "Plan on a Page")
- Rate of return and payback for commercial activities
- Retention of Community Assets
- Retention and maintenance of Heritage Assets
- The extent and level of surety of external funding
- The use of Capital Investment Options Appraisal
- A whole life cost approach to Capital Investment
- Delivery of Value for Money
- The approach to risk - the expected benefits must outweigh the risk
- Any overspendings on approved Capital Schemes being the first consideration for the use of any available capital resources

4.2 On 24th January 2012 the City Council approved the "Capital Investment Aspirations and Priorities 2011/12 and the Future". This update report to the Capital Strategy 2008 – 2018 revised the Capital Investment Priorities, as the Capital Strategy was in its 3rd year, and proposed the following categories of Capital Schemes that are the priorities for attracting Corporate Capital Funding:

- **Category 1** - Programmes of a recurring nature that are essential to maintain operational effectiveness

- **Category 2** - Specific schemes that:
 - Have a significant catalytic potential to unlock the regeneration of the City
 - Are significant in terms of the Council strategies that they serve
 - Are significantly efficiency generating
 - If not implemented would cause severe disruption to Service delivery

4.3 The Capital Programme fully embraces the revised financial framework for allocating capital resources to new capital schemes. The financial framework approved within the Capital Strategy has evolved from the previous framework based on passporting of funding, to one that is based on pooling resources designed to offer Members greater choice and transparency with the overall aim of delivering better outcomes from the resources available. It seeks to strike the correct balance of allocating capital resources between short and medium term needs and priorities and longer term aspirations, in order to support the delivery of the long term Capital Strategy.

4.4 The Administration have focussed a significant proportion of their available Capital Resources towards improving the condition of school buildings and increasing the number of pupil places within secondary schools to meet forecast increases in demand.

4.5 The next large physical regeneration projects planned by the City Council over the next 5 - 10 years are the seafront development and improvements to transport infrastructure to enable city development and growth. The seafront development includes improvement of sea defences and key sites identified in the Seafront Master Plan. Consistent with this plan, the Council expects to be awarded £77m by The Environment Agency to complete improvements to the sea defences along Southsea Seafront. In anticipation of this grant award, the Administration allocated £1.25m match funding in 2016/17 and plans to allocate a further £1.25m match funding in 2017/18. To unlock the economic potential of the City, the Administration proposes to increase firm City Council contributions by £3m towards a circa £45m³ project for an upgraded City Centre access road. This scheme will ensure that all forms of transport can flow freely in and out of the City Centre in a way that accommodates future growth, enabling residents, tourists and businesses to access the city with ease and facilitating 2,600 additional homes and 9,700 permanent jobs. This will increase the contribution made available by the City Council to £15m in total.

4.6 Other regeneration schemes in the pipeline include housing and employment space developments at Port Solent, Tipner and Horsea under the City Deal Programme and the development of a Business Park at Dunsbury Hill Farm.

³ Assuming further contributions from the Council were made available in future periods of £0-5.0m

- 4.7 There remain significant future capital obligations and aspirations. These include schemes such as the following where funding has yet to be identified to meet them in full but which will likely require funding in the short or medium term:

| Capital Scheme - Significant Obligation / Aspiration | Unfunded Requirement £m |
|--|------------------------------------|
| Secondary School Places 2019/20 to 2021/22 | 9.0 - 11.0 |
| Special Educational Needs Re-modelling | 4.0 - 5.0 |
| School Condition (roofs, boilers, electrics, windows etc.) | 2.0 - 3.0 |
| Sea Defences Contribution to £89m Scheme | 4.8 -10.5 |
| Enabling Transport Infrastructure match funding - City development (next 5-10 years) | 0 - 5.0 |
| Landlords Repairs & Maintenance | 1.0 - 2.0 |
| Local Transport Plan - Road safety and traffic improvement schemes | 1.5 -2.0 |
| Total Funding Requirement | 22.3 - 38.5 |

- 4.8 The scale of the funding required for these obligations and aspirations is such that it far outstrips the annual capital grant funding, capital receipts and CIL contributions that the Council receives (circa £10m per annum) plus any Government funding which may be available for school places. With potentially available capital funding of £10m versus core obligations and aspirations of between £22m to £39m of Capital Investment, there is a hugely significant shortfall to be met.
- 4.9 Given that some of this Capital investment is likely to have a transformational effect on the City's growth, there is a recommendation elsewhere on this agenda to transfer any further underspending in 2016/17 arising at the year-end (outside of those made by Portfolios) to Capital Resources in order to provide funding for essential Capital Investment into Secondary School Places, Sea Defences and the enabling transport infrastructure necessary for the City's development and growth.

5. Considerations in Formulating the Revised & Future Capital Programme

- 5.1 In considering the revised Capital Programme for 2016/17 and the future Capital Programme for 2017/18 to 2021/22, the following factors have been taken into account:
- The Medium Term Financial Strategy with its bias towards entrepreneurial activities and driving regeneration
 - The Council's Capital Strategy, which informs the capital investment needs, priorities and aspirations of the Council
 - Any over or underspending against approved capital schemes
 - The priority and immediacy of new capital schemes and the revenue impacts of those capital schemes

- The availability of capital resources and the potential risks associated with those capital resources being realised
- The inter-relationship with the Revenue Budget, in particular the additional revenue costs/savings associated with the proposed new capital schemes
- The effective exclusion of the use of Prudential Borrowing, except for Invest to Save Schemes, arising from the unaffordability of its associated borrowing costs

5.2 To determine the capital resources available, all capital funding sources have been reviewed. This review covered all of the resources anticipated to be available over the medium term. In assessing the level of anticipated capital resources available, a prudent and responsible approach has been taken and only those resources that have a high degree of certainty and that are likely to be available within a reasonable time frame have been included.

5.3 In determining the capital resources available, a small amount has been retained as a contingency to: mitigate the risk of capital receipts; Community Infrastructure Levy and Government Grants being lower than expected; to meet unavoidable increases in costs to approved schemes; as a source of finance to attract match funding from external capital grants that may become available, and as a funding source for small scale capital schemes that arise after the capital programme has been approved.

6. Revised Capital Programme – 2016/17 to 2021/22

6.1 Since the revised Capital Programme 2015/16 to 2020/21 was approved in February 2016, other schemes that have not required corporate capital resources have been added to the recommended Capital Programme shown in Appendix 1. These schemes have been funded from sources such as Specific Grants, Contributions or other scheme specific capital resources.

6.2 The Capital Programme approved in February 2016 (incorporating the Housing Investment Programme) has been further revised to reflect additions, changes, under and overspendings, slippage and revised phasing of capital schemes. Further details of these changes are set out in Section 8. The revised capital programme for 2016/17 and beyond is attached at Appendix 1 and is recommended for approval.

7. Passported Capital Allocations (Grants)

7.1 Set out below is the current position on all new ring-fenced Grant Allocations for 2016/17. The allocation is passported directly to the relevant Portfolio/Board so that they can be applied in accordance with the conditions for their use.

| Grant | Grant Description | Allocation £ |
|---|--|-------------------------|
| Children's & Education Services: | | |
| Devolved Formula | Devolved Formula Capital Grant (DFCG) is a grant that allocates capital funding to schools. The grant is used to fund capital improvements/maintenance, remodelling and/or new build. (announcement of 2017/18 is awaited) | £384,900 |
| Health & Wellbeing Board: | | |
| Disabled Facilities Grant | To be allocated in accordance with the arrangements for the distribution of the Better Care Fund (announcement of 2017/18 is awaited) | £1,403,600 |
| Total | | 1,788,500 |

8. Forecast of Corporate Capital Resources (Non Passported) 2017/18 & Beyond

8.1 The forecast of corporate capital resources (i.e. non passported sources of finance) available to the City Council for new capital schemes comprise the following and are described in more detail in the paragraphs below:

- Contributions to the "Corporate Pool" of all non ring-fenced capital grants from Government, commonly referred to as the "Single Capital Pot" allocations
- The anticipated balance on the Revenue Reserve for Capital
- Changes to the existing Capital Programme - additions or deductions for any changes in the costs or funding requirements associated with the existing capital programme
- Any allowances for Prudential Borrowing (unsupported borrowing)
- The forecast value of additional capital receipts taking into account:
 - New assets declared surplus to requirements
 - Any increase or decrease in the estimated value of existing assets to be disposed of
 - Any requirements to provide for affordable housing, parking or any other conditions which could have a significant impact on the disposal value and other costs associated with disposal
- Other Corporate Capital Grants & Contributions e.g. Community Infrastructure Levy

- Any Revenue Contributions to Capital

Contributions to the Corporate Pool including the “Single Capital Pot” allocations

- 8.2 The Council receives allocations of capital funding each year under the guise of the “Single Capital Pot”. The “Single Capital Pot” is not a grant or capital allocation in itself but is a term used to define all non ring-fenced Government Grants.
- 8.3 The Single Capital Pot is intended to be a non ring-fenced source of finance and available for directing towards the priorities of the Authority. In practice however, the Single Capital Pot allocations are notified to individual Authorities in terms of the amounts that each Government Department has contributed. Furthermore, those Government Departments have an expectation that the amounts that they have allocated to each Authority will be directed towards their services. If these sums are not spent in the areas to which they are allocated, it is possible that future allocations could be jeopardised. This practice is contradictory to the principles of both the Single Capital Pot and the Council’s Capital Strategy that is now in place.
- 8.4 In addition, there are other non ring-fenced sources of capital funding that are Corporately Pooled such as:
- Capital Receipts from the Sale of Council Houses
 - Capital Receipts from the Sale of other HRA Assets
- 8.5 The allocations which were previously passported directly to Portfolios and which now contribute towards the “Corporate Pool” as part of the overall sum of Capital Resources available are as follows:

| Contributions to Corporately Pooled Resources | | Full Year Grant Allocation | Grant Allocated in Previous Years | Available Resources To Be Pooled |
|---|---------|----------------------------|-----------------------------------|----------------------------------|
| | | £'000s | £'000s | £'000s |
| Culture, Leisure & Sport | | | | |
| S106 (Open Spaces) | | | | 29 |
| Education | | | | |
| LA Basic Need | 2017/18 | 6,418 | (6,418) | 0 |
| | 2018/19 | 2,508 | (2,508) | 0 |
| DfE Capital Maintenance | 2016/17 | 1,664 | (1,443) | 221 |
| | 2017/18 | 1,331 | 0 | 1,331 |
| Housing | | | | |
| S106 (Housing) | | | | 44 |
| Housing Capital Receipts | | | | 168 |
| Traffic & Transportation | | | | |
| S106 (Sustainable Transport) | | | | 43 |
| LTP IT Block | 2017/18 | 1,851 | 0 | 1,851 |
| National Productivity & Investment Fund | | 552 | 0 | 552 |

| Contributions to Corporately Pooled Resources | Full Year Grant Allocation | Grant Allocated in Previous Years | Available Resources To Be Pooled |
|--|-----------------------------------|--|---|
| | £'000s | £'000s | £'000s |
| Community Infrastructure Levy (CIL) | | | 3,147 |
| City Wide CIL | | | 594 |
| Total Contributions to Corporate Pool | | | 7,980 |

8.6 It should be noted that:

- the maintenance element of the Local Transport Plan (LTP) and the allocation from the Pothole Action Fund have not been pooled and are earmarked to fund part of the Unitary Charge paid to Ensign under the Highways PFI contract. This amounts to £1.272m and £0.111m respectively in 2017/18.
- Detailed feasibility and design of schemes aimed at increasing the number of school places commencing in 2019/20 are currently being prepared. Based on the limited work undertaken to date, the combined cost of these schemes is expected to be circa £9m - £11m. Bearing in mind the magnitude of the expected cost there is a significant risk that future LA Basic Need grant allocations from Government will not be sufficient to fund the full cost of the school places expansion. The Administration has therefore considered it prudent to allocate £1.0m towards the cost of these schemes now from currently available pooled resources

Revenue Reserve for Capital & Revenue Contributions to Capital

8.7 The Revenue Reserve for Capital has been built up over a number of years from Revenue Contributions to finance capital schemes and as at 31st March 2016 stood at £17.8m. Sums are transferred into this reserve in advance and then drawn from the reserve once the capital expenditure is incurred.

8.8 The balance on the Revenue Reserve for Capital and Revenue Contributions from/to this reserve have been taken into account in arriving at the overall level of capital resources available.

Changes to the Existing Capital Programme

8.9 In arriving at the overall level of capital resources available, the current approved Capital Programme has been reviewed and amended, in accordance with the approved Capital Strategy, for under and overspending plus any adjustments for additions to or shortfalls in estimated funding. These adjustments are reflected in the proposed Capital Programme at Appendix 1. The more significant amendments to the existing Capital Programme are set out below:

Underspendings:

- Cosham High Street
- Lighting for the Square Tower
- Grants to Registered Social Landlords

Overspendings / Funding Shortfalls:

- Universal Infant Free School Meals

In Year Additions:

- Civic Offices' Basement Refurbishment
- Investment Properties (Leasehold Disposal of White Hart Road)
- Sports & Leisure Facilities Investment
- Butterfly House at Cumberland House
- Portsmouth Recovery Centre
- Port Leased Plant & Equipment
- EBS Hardware & Configuration
- In-house Parks' Mobilisation - Vehicles & Equipment
- Replacement Homes (HRA)

8.10 The funding required to finance the overall recommended Capital Programme attached at Appendix 1 plus the changes described in this Section and Sections 6 and 7 have been fully taken into account in arriving at the capital resources available.

Prudential Borrowing

8.11 Prudential Borrowing is what is termed “unsupported borrowing” and means that the Government does not provide any revenue support through Government Grant for the repayment of that debt (neither principal nor interest). The City Council therefore, must fund all of the repayments associated with this type of borrowing. There are strict rules governing the use of Prudential Borrowing around the concepts of Affordability, Sustainability and Prudence. Thus far, the City Council has only been able to utilise Prudential Borrowing for Invest to Save Schemes where there is a demonstrable case that the capital expenditure incurred will result in savings that at least cover either the cost of borrowing or, alternatively, where other savings can be made to cover those borrowing costs.

Capital Receipts

8.12 In forecasting the level of Capital Resources available to the City Council over the medium term, the following core assumptions have been made:

- Capital receipts have only been assumed for the disposal of assets that have been approved by Members
- Capital receipts are only assumed where they are expected to be realised within a reasonable timeframe since there are inherent risks associated with changing circumstances over longer time periods

- Some of the more significant capital receipts being relied upon to fund the current capital programme include:
 - Chaucer House
 - Great Western
 - Navigators
 - Archive Store
 - Harbour School Fratton
 - Rodney Road Site
- Revisions to reflect the current financial conditions in the property market

Corporate (Non ring-fenced Capital Grants)

8.13 The Capital Programme also relies upon other non ring fenced Capital Grants

Summary of Total Available Capital Resources

8.14 Taking all of the above factors into account, as well as making some contingency provision for contractual disputes, likely match funding contributions for funding bids and other potential costs, the Capital Resources available at this time are as follows:

| CORPORATE CAPITAL RESOURCES AVAILABLE | £'000s |
|--|----------------|
| Corporate Capital Resources (including "Pooled Resources") | £16,463 |
| Add: Funds Released from Uncommitted Schemes | Nil |
| Total Corporate Capital Resources Available | £16,463 |

9. Priority Capital Schemes – 2017/18 & Beyond (Corporate Resources)

9.1 The programme has been specifically designed to support educational attainment by investing £6.6m into school buildings. This will provide sufficient school places for the rising population and also meet the most critical repairs across the school estate, targeting those resources towards schools with the most acute needs for new places and repair works.

9.2 The Administration also plan to support the economic growth of the City by; improving the attractiveness of the area around Isambard Brunel Road; progressing the detailed design of sea defences at Southsea in order to protect the City's seafront assets and; a contribution towards a project for an upgraded City Centre access road that will unlock the economic potential of the City.

9.3 Significant investment also continues to be made into other core services such as transportation, including proposals for improvements to the Eastern Corridor Road Link, enhancements to the neighbourhood living and street environments

and installation of variable message signs along Southsea Seafront that will enhance the City's attractiveness to businesses and residents alike.

9.4 At this time, the Administration is recommending the allocation of £16.46m to the following capital schemes, which it deems to be of particular importance to the delivery of its Capital Strategy:

| Capital Scheme | Capital Strategy Short / Medium Term Need & Priority (Corporate Plan) Or Long Term Aspiration (Portsmouth Vision) | Corporate Resources Required £ | Total Scheme Value £ |
|--|---|---|---|
| Sufficiency of Secondary School Places | Category 1 - short / Medium Term Need & Priority - Raise Standards in English & Maths through maintenance and enhancement of the learning environment. Ensuring that buildings are in the right condition and are suitable for learning needs | 2,670,000 | 4,470,000 |
| Future Secondary School Places | Category 1 - short / Medium Term Need & Priority - Raise Standards in English & Maths through maintenance and enhancement of the learning environment. Ensuring that buildings are in the right condition and are suitable for learning needs | 1,000,000 | 1,000,000 |
| School Condition Projects | Category 1 - short / Medium Term Need & Priority - Raise Standards in English & Maths through maintenance and enhancement of the learning environment. Ensuring that buildings are in the right condition and are suitable for learning needs | 1,000,000 | 1,100,000 |
| Children's Case Management Software Replacement | Category 1 - Short / Medium Term Need & Priority - Contributes to multiple priorities by ensuring "back office" infrastructure is suitable for purpose and avoids severe disruption to Service delivery | 1,907,000 | 1,907,000 |
| Tangier Road Children's Home | Category 1 - Short / Medium Term Need & Priority - Contributes to multiple priorities via the comprehensive management of the asset base and provide buildings for all services that are in the right place, condition and are suitable for their purpose | 495,000 | 495,000 |
| Beechside Children's Home | Category 1 - Short / Medium Term Need & Priority - Contributes to multiple priorities via the comprehensive management of the asset base and provide buildings for all services that are in the right place, condition and are suitable for their purpose | 55,000 | 55,000 |
| Kings Bastion | Category 2 - short / Medium Term Need & Priority - Regenerate the City by improving facilities, encouraging tourism and investment | 525,000 | 600,000 |
| Charles Dickens' Gardens | Category 2 - short / Medium Term Need & Priority - Regenerate the City by improving facilities, encouraging tourism and investment | 25,000 | 25,000 |
| D Day Museum Repairs | Category 2 - short / Medium Term Need & Priority - Regenerate the City by improving facilities, encouraging tourism and investment | 165,000 | 165,000 |
| Contribution Towards Resurfacing South Parade Pier | Category 2 - short / Medium Term Need & Priority - Regenerate the City by improving facilities, encouraging tourism and investment | 50,000 | 75,000 |
| Installation of Shower at Canoe Lake | Category 2 - short / Medium Term Need & Priority - Regenerate the City by improving facilities, encouraging tourism and investment | 10,000 | 10,000 |
| Watersedge Park Building | Category 1 - Short / Medium Term Need & Priority - Contributes to multiple priorities via the comprehensive management of the asset base and provide buildings for all services that are in the right place, condition and are suitable for their purpose | 20,000 | 20,000 |
| Edwardian Seafront Shelter | Category 2 - short / Medium Term Need & Priority - Regenerate the City by improving facilities, encouraging tourism and investment | 70,000 | 80,000 |
| Re-provision of Bandstand at West Battery Gardens | Category 2 - short / Medium Term Need & Priority - Regenerate the City by improving facilities, encouraging tourism and investment | 40,000 | 40,000 |
| Pop Up Kiosks - Southsea Seafront | Category 2 - short / Medium Term Need & Priority - Regenerate the City by improving facilities, encouraging tourism and investment | 40,000 | 40,000 |
| Household Waste Collections | Category 1 - Short / Medium Term Need & Priority - Contributes to multiple priorities by improved efficiency | 111,200 | 111,200 |
| Old Portsmouth Seawalls' Maintenance | Category 2 - short / Medium Term Need & Priority - Regenerate the City by improving facilities, encouraging tourism and investment | 120,000 | 120,000 |

| Capital Scheme | Capital Strategy Short / Medium Term Need & Priority (Corporate Plan) Or Long Term Aspiration (Portsmouth Vision) | Corporate Resources Required £ | Total Scheme Value £ |
|---|---|---|---------------------------------|
| Southsea Coastal Flood Defence Contribution | Category 2 - short / Medium Term Need & Priority - Regenerate the City by improving facilities, encouraging tourism and investment | 1,250,000 | 88,602,400 |
| Swift Software Replacement | Category 1 - Short / Medium Term Need & Priority - Contributes to multiple priorities by ensuring "back office" infrastructure is suitable for purpose and avoids severe disruption to Service delivery | 400,000 | 1,163,000 |
| Phase 1: Refresh of the Allaway Avenue Green and Surrounding Planting | Category 1 - Short / Medium Term Need & Priority - Contributes to multiple priorities via the comprehensive management of the asset base and provide buildings for all services that are in the right place, condition and are suitable for their purpose | 16,600 | 16,600 |
| Hillside Youth & Community Centre - Outdoor Play | Category 1 - Short / Medium Term Need & Priority - Contributes to multiple priorities via the comprehensive management of the asset base and provide buildings for all services that are in the right place, condition and are suitable for their purpose | 166,000 | 166,000 |
| City Centre Road | Category 2 - Long Term Need & Priority - Regenerate the City by providing an attractive place for business to settle | 3,000,000 | 45,000,000 |
| Renovation of Victoria Park Lodge | Category 1 - Short / Medium Term Need & Priority - Contributes to multiple priorities via the comprehensive management of the asset base and provide buildings for all services that are in the right place, condition and are suitable for their purpose | 100,000 | 100,000 |
| Public Realm Improvements - Chaucer House | Category 2 - Long Term Need & Priority - Regenerate the City by providing an attractive place for business to settle | 594,000 | 594,000 |
| Portsmouth Area Rape Crisis Service - Building Maintenance | Category 1 - Short / Medium Term Need & Priority - Contributes to multiple priorities via the comprehensive management of the asset base and provide buildings for all services that are in the right place, condition and are suitable for their purpose | 50,000 | 50,000 |
| Landlord's Maintenance | Category 1 - Short / Medium Term Need & Priority - Contributes to multiple priorities via the comprehensive management of the asset base and provide buildings for all services that are in the right place, condition and are suitable for their purpose | 591,000 | 831,000 |
| Seafront Variable Message Signs | Category 1 - Short / Medium Term Need & Priority - Contributes to multiple priorities via the comprehensive management of the asset base and provide buildings for all services that are in the right place, condition and are suitable for their purpose | 52,000 | 75,800 |
| Eastern Corridor Road Link Improvements | Category 1 - Short / Medium Term Need & Priority - Contributes to multiple priorities via the comprehensive management of the asset base and provide buildings for all services that are in the right place, condition and are suitable for their purpose | 500,000 | 500,000 |
| Improvements to Neighbourhood Living & Street Environment | Category 1 - Short / Medium Term Need & Priority - Contributes to multiple priorities via the comprehensive management of the asset base and provide buildings for all services that are in the right place, condition and are suitable for their purpose | 200,000 | 200,000 |
| Local Transport Plan | Category 1 - Short / Medium Term Need & Priority - Contributes to multiple priorities via the comprehensive management of the asset base and provide buildings for all services that are in the right place, condition and are suitable for their purpose | 1,200,000 | 1,200,000 |
| Old Portsmouth Area Study | Category 1 - Short / Medium Term Need & Priority - Contributes to multiple priorities via the comprehensive management of the asset base and provide buildings for all services that are in the right place, condition and are suitable for their purpose | 40,000 | 40,000 |
| Total Corporate Capital Resources Allocated | | 16,462,800 | 148,852,000 |

9.5 The proposed Capital Schemes recommended for approval are described in more detail in Appendix 2 and set out:

- Description of the Scheme and its key aims
- The total cost of the scheme including funding from other sources
- The net cost of the scheme to be funded from Corporate Capital Resources

- Any additional on-going revenue costs/savings associated with the scheme

10. New Capital Schemes To Be Funded From Prudential Borrowing

- 10.1 To significantly reduce the Council's Carbon Footprint and reduce energy costs, major investment in photovoltaic technology is planned alongside further investment in other energy management schemes.
- 10.2 These schemes meet the Prudential Borrowing Criteria outlined at Paragraph 8.11 and it is recommended that prudential borrowing up to the limit shown for each scheme below (and set out in more detail in Appendix 2) is approved:

| Capital Scheme | Capital Strategy Short / Medium Term Need & Priority (Corporate Plan) Or Long Term Aspiration (Portsmouth Vision) | Corporate Resources Required £ | Total Scheme Value £ |
|---|--|-----------------------------------|-------------------------|
| Utilities and Energy Management | Category 1 - Short / Medium Term Need & Priority - Contributes to multiple priorities by improved efficiency | 1,031,100 | 1,031,100 |
| Investment in Solar Photovoltaic cells | Category 1 - Short / Medium Term Need & Priority - Contributes to multiple priorities by improved efficiency | 3,400,000 | 3,400,000 |
| Total Capital Schemes To Be Funded From Prudential Borrowing | | 4,431,100 | 4,431,100 |

11. New Capital Schemes To Be Funded From The MTRS Reserve

- 11.1 No new capital schemes have been added which require funding from the MTRS Reserve.

12. New Capital Schemes To Be Funded From The Parking Reserve

- 12.1 City Council note the use of the Parking Reserve to fund the following schemes:

Isambard Brunel Car Park Lift Refurbishment

It is proposed that 2 lifts are refurbished at a cost of £240,000 as set out in more detail in Appendix 2.

Seafront Variable Message Signs

It is proposed that the Parking Reserve is used to fund £23,800 of a £75,800 scheme to install Variable Message Signs along Southsea Seafront as set out in more detail in Appendix 2.

13. New Capital Schemes To Be Funded From Portfolio Reserve

- 13.1 City Council note the use of the Culture, Leisure & Sport Portfolio Reserve to fund the following schemes:

Southsea Library Café and Children's Play Area

It is proposed that the café and children's play area are re-located within the Library at a cost of £60,000

Southsea Library Automatic Entrance Doors

It is proposed that the automatic main entrance doors are replaced at a cost of £10,000

These schemes, totalling £70,000 are set out in more detail in Appendix 2.

14. New Capital Schemes To Be Funded From Prevention (Public Health) Reserve

Assistive Technology

A scheme to provide enhanced Assistive Technology to residents with an Adult Social Care need is proposed at a cost of £300,000 as set out in more detail in Appendix 2

15. Future Priority Capital Schemes

- 15.1 In addition to the Capital Investment proposals described above, the Administration is keen to plan a path ahead in accordance with the Capital Strategy and set out their future proposals for Capital Investment once further Capital Resources become available. The Administration's proposals are set out below.

| Future Priority Capital Schemes – Not in Priority Order |
|--|
| Secondary School Places 2019/20 to 2021/22 |
| Special Educational Needs Re-modelling |
| School Condition (roofs, boilers, electrics, windows etc.) |
| Sea Defences Contribution to £89m Scheme |
| Enabling Transport Infrastructure match funding - City development |
| Landlords Repairs & Maintenance |
| Local Transport Plan - Road safety and traffic improvement schemes |

16. Prudential Borrowing and Prudential Indicators

- 16.1 Prudential Borrowing is a potential source of capital finance under the Local Government Act 2003. This requires that Local Authorities comply with the Prudential Code for Capital Finance. The key objective of the Prudential Code is to ensure that the capital investment plans of local authorities are Affordable, Prudent and Sustainable. The Prudential Code sets out a clear governance procedure for those matters that the Authority must have regard to as follows:

- **Affordability** e.g. implications for Council Tax and Council housing rents
- **Prudence and Sustainability** e.g. implications of external borrowing
- **Value for money** e.g. options appraisal
- **Stewardship of assets** e.g. asset management planning
- **Service objectives** e.g. strategic planning for the authority
- **Practicality** e.g. achievability of the forward plan

- 16.2 Prudential Borrowing requires that the capital investment of the Authority remains within sustainable limits and that the revenue consequences, including both debt financing and other revenue costs, are affordable over the long term. In considering the affordability of its Capital plans, the Authority must consider all of the resources currently available to it and estimated for the future, together with the totality of its capital plans, revenue income and revenue expenditure forecasts for the forthcoming year and the following two years as a minimum. The Authority is also required to consider known significant variations beyond this timeframe and pay due regard to risk and uncertainty.
- 16.3 Whilst the City Council is able to set a balanced budget in 2017/18 current forecast revenue deficits amount to £3.9m in 2018/19, £8.9m in 2019/20 and £11.4m in 2020/21. This means that until such time as the Council is able to balance its budget over the medium term, it is unable to demonstrate that it can afford any additional borrowing costs over that period and therefore cannot demonstrate compliance with the affordability test of the Prudential Code. Prudential Borrowing is available however, for Invest to Save Schemes.
- 16.4 The Secretary of State has reserve powers to impose regulations on Local Authorities if it feels that an Authority is either not compliant with the code or if it is in the national economic interest. These reserve powers include:
- National Borrowing Limits – if there are national economic reasons
 - Borrowing Limits for an individual Authority
 - Limits set either nationally or locally for different kinds of borrowing
 - Any headroom that a Local Authority has under National Borrowing Limits that may be transferred between Authorities
- 16.5 The Prudential Indicators of the Council are determined largely from its Capital Investment decisions and are presented in Appendix 3. In summary, the Council's indicators illustrate that its current Capital Programme is affordable. The ratio of financing costs to net revenue stream for the General Fund are estimated to be 11.0% in 2016/17, rising to 13.0% by 2021/22. For the Housing Revenue Account, fixed borrowing costs range from 12.0% in 2016/17, peaking at 13.1% in 2018/19 before falling back to 12.3% by 2021/22. The forecast HRA balance for the next 5 years remains in surplus indicating that this is a sustainable level of borrowing.
- 16.6 Represented in terms of the effect on a Band D taxpayer, the revenue effect (i.e. additional costs/savings against the revenue budget) of the recommended capital programme is equivalent to a reduction of £2.43 per annum per taxpayer in 2018/19 or equivalent to a 0.19% decrease in the Council Tax.
- 16.7 The Council's underlying need to borrow to finance its current and future capital expenditure (i.e. its Capital Financing Requirement) is increasing, primarily as a result of planned commercial property investments but will ultimately reduce as these investments are sold. The Council's 2016/17 revised Operational Boundary is £599.5m and is forecast to decrease to £570.9m over the period to 2021/22.

16.8 The Council's Limit for External Debt, recommended for 2017/18, should be broadly equivalent to its underlying need to borrow (described above) but should allow for a little headroom in excess of it. This has been set accordingly. Furthermore, the Operational Boundary for external debt serves as a limit/early warning tool to highlight whether the External Limit is nearing a breach. This therefore, is set at the level to which external debt is more likely to be.

17. Conclusion

17.1 The Capital Programme and new capital schemes recommended as part of this report attempt to strike the right balance between meeting the short and medium term needs and priorities of the Council and the longer term aspirational vision for the City.

17.2 In particular, the proposals seek to meet the Council's statutory obligations to provide sufficient school places and to support schools in their pursuit of improved educational attainment. As a whole, the Capital Programme is designed to drive economic growth, support schools in their pursuit of improved educational attainment, generate savings and income for the Council in order to protect services from cuts and continue to protect the vulnerable in society. The programme is clearly aligned with the Medium Term Financial Strategy and the approved Capital Strategy.

17.3 This programme sets out the future Capital Investment agenda for the Council. It looks beyond the coming year and uses a financial framework for allocating capital resources based on the concept of pooling non-ring fenced resources so that there is greater transparency and choice for new capital investment with greater opportunity for enhanced outcomes for residents.

18. Equality Impact Assessment

18.1 This Capital Programme earmarks sums for future capital schemes. Prior to the commencement of any capital scheme, a report and financial appraisal on that scheme will be approved either by the Portfolio Holder, the Cabinet or the City Council and at that time an Equalities Impact Assessment will be undertaken.

19. City Solicitor's Comments

19.1 The City Solicitor has confirmed that it is within the City Council's powers to approve the recommendations set out above.

20. S.151 Officer's Comments

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

Chris Ward

Director of Finance and Information Service & Section 151 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 –

| <i>Title of document</i> | <i>Location</i> |
|--|--------------------------------------|
| Capital 2017/18 | Office of Deputy Director of Finance |
| Capital Strategy 2008 – 2018 | Council's Web Site |
| Capital Investment Aspirations & Priorities 2011/12 and the Future | Council's Web Site |

The recommendations set out above were approved/ approved as amended/ deferred/ rejected by the City Council on 14th February 2017

Signed:

**CAPITAL
PROGRAMME
&
FINANCING**

2016/17 - 2021/22

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| Summary of Capital Programme (All Services) | Expenditure to 31 March 16 £ | Revised Estimate 2016/17 £ | Estimate 2017/18 £ | Estimate 2018/19 £ | Estimate 2019/20 £ | Estimate 2020/21 £ | Estimate 2021 / 22 £ | Expenditure in Subsequent Years £ | Final Cost £ |
|---|---------------------------------|-------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-------------------------|--------------------------------------|----------------------|
| Children's Social Care | 85,724 | 59,276 | 1,927,000 | 580,000 | 0 | 0 | 0 | 0 | 2,652,000 |
| Culture, Leisure & Sport | 25,400,807 | 1,866,534 | 6,981,909 | 943,566 | 25,000 | 0 | 0 | 0 | 35,217,816 |
| Education | 47,657,275 | 8,635,496 | 12,285,565 | 5,818,200 | 3,220,000 | 1,000,000 | 0 | 0 | 78,616,536 |
| Environment & Community Safety | 8,303,823 | 6,050,736 | 10,528,829 | 12,010,029 | 13,199,429 | 15,875,427 | 14,554,428 | 51,366,628 | 131,889,329 |
| Health & Social Care (Adults Services) | 3,642,521 | 1,599,158 | 881,383 | 579,000 | 500,000 | 0 | 0 | 0 | 7,202,062 |
| Planning Regeneration & Economic Development | 99,426,040 | 154,285,696 | 93,717,892 | 81,215,760 | 28,277,700 | 21,627,700 | 3,000,000 | 0 | 481,550,788 |
| Commercial Port | 24,440,518 | 3,134,739 | 8,388,026 | 3,786,397 | 3,500,000 | 2,200,541 | 0 | 0 | 45,450,221 |
| Resources | 24,185,929 | 10,192,048 | 6,396,524 | 3,037,066 | 1,458,888 | 0 | 0 | 0 | 45,270,456 |
| Traffic & Transportation | 79,095,038 | 14,443,561 | 12,697,344 | 5,591,192 | 3,230,930 | 1,502,306 | 1,449,327 | 30,348,663 | 148,358,361 |
| Total Capital Programme (Excluding Housing Investment Programme) | 312,237,675 | 200,267,244 | 153,804,472 | 113,561,210 | 53,411,947 | 42,205,974 | 19,003,755 | 81,715,291 | 976,207,569 |
| Housing Investment Programme | 140,188,646 | 36,679,591 | 44,352,224 | 22,507,773 | 23,342,034 | 29,338,790 | 24,591,093 | 24,999,256 | 345,999,407 |
| Total Capital Programme | 452,426,321 | 236,946,835 | 198,156,696 | 136,068,983 | 76,753,981 | 71,544,764 | 43,594,848 | 106,714,547 | 1,322,206,976 |
| Analysis of Programme by Source of Finance | | | | | | | | | |
| Unsupported Borrowing | | 66,073,268 | 84,594,873 | 9,485,421 | 5,218,506 | 5,445,041 | 0 | 0 | 170,817,110 |
| Corporate Reserves (Including Capital Receipts) | | 61,291,054 | 26,084,847 | 29,170,343 | 4,124,259 | 5,079,127 | 3,806,151 | 1,431,857 | 130,987,638 |
| Revenue & Reserves | | 26,463,135 | 21,422,488 | 44,692,937 | 21,074,981 | 21,163,862 | 22,470,882 | 51,847,919 | 209,136,204 |
| Grants | | 75,666,121 | 54,366,484 | 34,026,784 | 24,409,063 | 25,836,700 | 16,124,800 | 52,311,000 | 282,740,952 |
| Contributions | | 7,453,257 | 11,688,004 | 18,693,498 | 21,927,172 | 14,020,034 | 1,193,015 | 1,123,771 | 76,098,751 |
| Total Financing | | 236,946,835 | 198,156,696 | 136,068,983 | 76,753,981 | 71,544,764 | 43,594,848 | 106,714,547 | 869,780,655 |

RESOURCES AVAILABLE

| | Revised Estimate 2016/17 £ | Estimate 2017/18 £ | Estimate 2018/19 £ | Estimate 2019/20 £ | Estimate 2020/21 £ | Estimate 2021 / 22 £ | Expenditure in Subsequent Years £ | Final Cost £ |
|---|-------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-------------------------|--------------------------------------|--------------------|
| Specific Resources | | | | | | | | |
| Borrowing | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Unsupported Borrowing | 66,073,268 | 84,594,873 | 9,485,421 | 5,218,506 | 5,445,041 | 0 | 0 | 170,817,110 |
| Other Capital Receipts | 5,181,575 | 5,463,631 | 2,589,590 | 3,037,410 | 4,327,323 | 1,458,993 | 1,400,000 | 23,458,522 |
| Other Capital Reserves | 25,529,057 | 20,855,888 | 44,667,937 | 21,049,981 | 21,163,862 | 22,470,882 | 51,847,919 | 207,585,526 |
| Other Contributions | 4,311,675 | 9,541,413 | 14,973,513 | 17,807,400 | 8,400,411 | 1,110,545 | 1,100,000 | 57,244,957 |
| Government Grants | 3,146,872 | 1,155,683 | 0 | 0 | 0 | 0 | 0 | 4,302,555 |
| Other Grants | 60,748,744 | 32,848,980 | 22,412,100 | 21,658,700 | 24,836,700 | 15,483,000 | 52,311,000 | 230,299,224 |
| Sub Total - Specific Resources | 164,991,191 | 154,460,468 | 94,128,561 | 68,771,997 | 64,173,337 | 40,523,420 | 106,658,919 | 693,707,894 |
| Specific Resources Used | 164,991,191 | 154,460,468 | 94,128,561 | 68,771,997 | 64,173,337 | 40,523,420 | 106,658,919 | 693,707,894 |
| Specific Resources Available | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Corporate Resources | | | | | | | | |
| Corporate Capital Receipts | 82,808,732 | 1,248,252 | 0 | | | | | 84,056,984 |
| Corporate Capital Reserves | 23,352,801 | 1,745,034 | (75,000) | | | | | 25,022,835 |
| Corporate S106 Contributions & CIL | 10,724,034 | 2,684,759 | 1,329,278 | 0 | 0 | | | 14,738,071 |
| Capital Settlement - Non Ring Fenced Grants | 39,363,226 | 7,624,882 | 1,151,000 | 0 | | | | 48,139,108 |
| Corporate Grants | 4,115,763 | 0 | 0 | 0 | | | | 4,115,763 |
| Sub Total - Corporate Resources | 160,364,556 | 13,302,927 | 2,405,278 | 0 | 0 | 0 | 0 | 176,072,761 |
| Corporate Resources Used | 71,955,644 | 43,696,228 | 41,940,422 | 7,981,984 | 7,371,427 | 3,071,428 | 55,628 | 176,072,761 |
| Corporate Resources Available | 88,408,912 | 58,015,611 | 18,480,467 | 10,498,483 | 3,127,056 | 55,628 | 0 | 0 |
| Total Resources Available | 325,355,747 | 167,763,396 | 96,533,839 | 68,771,997 | 64,173,337 | 40,523,420 | 106,658,919 | 869,780,655 |
| Total Resources Used | 236,946,835 | 198,156,696 | 136,068,983 | 76,753,981 | 71,544,764 | 43,594,848 | 106,714,547 | 869,780,655 |
| Total Remaining Resources Available | 88,408,912 | 58,015,611 | 18,480,467 | 10,498,483 | 3,127,056 | 55,628 | 0 | 0 |

CHILDREN'S SERVICES PORTFOLIO

CAPITAL PROGRAMME

| Item No. | Description of Scheme | Identified Source of Finance | Exp. to 31 Mar 2016 | Revised Estimate for 2016/17 | Estimate for 2017/18 | Estimate for 2018/19 | Estimate for 2019/20 | Estimate for 2020 / 21 | Estimate for 2021 / 22 | Exp. in Subsequent Years | Final Cost |
|----------|---|------------------------------|---------------------|------------------------------|----------------------|----------------------|----------------------|------------------------|------------------------|--------------------------|--------------------|
| 1 | Adaptations to Foster Carer Properties | CROC CorpRsv | 85,724 0 | 14,276 45,000 | 50,000 | | | | | | 150,000 45,000 |
| | Sub Total | | 85,724 | 59,276 | 50,000 | 0 | 0 | 0 | 0 | 0 | 195,000 |
| 2 | Children's Case Management Software Replacement | CorpRsv | 0 | | 1,422,000 | 485,000 | | | | | 1,907,000 |
| 3 | Tangier Road Children's Home | CorpRsv CP(DCSF)BN | 0 0 | | 371,500 28,500 | 95,000 | | | | | 371,500 123,500 |
| | Sub Total | | 0 | 0 | 400,000 | 95,000 | 0 | 0 | 0 | 0 | 495,000 |
| 4 | Beechside Children's Home | CorpRsv | 0 | | 55,000 | | | | | | 55,000 |
| | Grand Total | | 85,724 | 59,276 | 1,927,000 | 580,000 | 0 | 0 | 0 | 0 | 2,652,000 |

CULTURE LEISURE AND SPORT PORTFOLIO

CAPITAL PROGRAMME

| Item No. | Description of Scheme | Identified Source of Finance | Exp. to 31 Mar 2016 | Revised Estimate for 2016/17 | Estimate for 2017/18 | Estimate for 2018/19 | Estimate for 2019/20 | Estimate for 2020 / 21 | Estimate for 2021 / 22 | Exp. in Subsequent Years | Final Cost |
|----------|---|------------------------------|---------------------|------------------------------|----------------------|----------------------|----------------------|------------------------|------------------------|--------------------------|-------------------|
| 1 | Mountbatten Centre Redevelopment | CorpRsv | 3,480,071 | 4,168 | | | | | | | 3,484,239 |
| | | OG(DCLG)CD | 318,240 | | | | | | | | 318,240 |
| | | UB | 10,795,382 | | | | | | | | 10,795,382 |
| | | OG | 5,490,000 | | | | | | | | 5,490,000 |
| | | S106(OS) | 42,768 | | | | | | | | 42,768 |
| | Sub Total | | 20,126,461 | 4,168 | 0 | 0 | 0 | 0 | 0 | 0 | 20,130,629 |
| 2 | Seafront Improvements | CorpRsv | 91,240 | | 45,557 | | | | | | 136,797 |
| | | OG(DCLG)CD | 10,290 | | | | | | | | 10,290 |
| | Sub Total | | 101,530 | 0 | 45,557 | 0 | 0 | 0 | 0 | 0 | 147,087 |
| | Re-provision of Wymering and Hillside Centres | CorpRsv | 33,913 | 29,572 | | | | | | | 63,485 |
| | | OG(DCLG)CD | 371,515 | | | | | | | | 371,515 |
| | | OC | 1,000,000 | | | | | | | | 1,000,000 |
| | | CMR | 60,000 | | | | | | | | 60,000 |
| | Sub Total | | 1,465,428 | 29,572 | 0 | 0 | 0 | 0 | 0 | 0 | 1,495,000 |
| 4 | Indoor Tennis Centre | CorpRsv | 42,355 | 10,271 | | | | | | | 52,626 |
| | | OG(DCLG)CD | 251,831 | | | | | | | | 251,831 |
| | | OC | 834,387 | | | | | | | | 834,387 |
| | | OR | 38,000 | | | | | | | | 38,000 |
| | | UBS | 28,353 | 2,229 | | | | | | | 30,582 |
| | Sub Total | | 1,194,926 | 12,500 | 0 | 0 | 0 | 0 | 0 | 0 | 1,207,426 |
| 5 | Hilsea Splashpool | CorpRsv | 74,200 | | | | | | | | 74,200 |
| | | S106(OS) | 265,246 | 27,120 | | | | | | | 292,366 |
| | Sub Total | | 339,446 | 27,120 | 0 | 0 | 0 | 0 | 0 | 0 | 366,566 |
| 6 | Lights at the Land Side of the Hot Walls | CorpRsv | 65,266 | | | | | | | | 65,266 |

CULTURE LEISURE AND SPORT PORTFOLIO

CAPITAL PROGRAMME

| Item No. | Description of Scheme | Identified Source of Finance | Exp. to 31 Mar 2016 | Revised Estimate for 2016/17 | Estimate for 2017/18 | Estimate for 2018/19 | Estimate for 2019/20 | Estimate for 2020 / 21 | Estimate for 2021 / 22 | Exp. in Subsequent Years | Final Cost |
|----------|---|------------------------------|---------------------|------------------------------|----------------------|----------------------|----------------------|------------------------|------------------------|--------------------------|------------------|
| 7 | Coastal Communities Bid (ARTches) | CorpRsv | 7,461 | 103,328 | 34,734 | | | | | | 145,523 |
| | | CP(DFI)IT | 0 | 100,000 | | | | | | | 100,000 |
| | | OG | 685,256 | 879,112 | 4,266 | | | | | | 1,568,634 |
| | | OG(DCLG)CD | 44,972 | | | | | | | | 44,972 |
| | | PUSH | 40,000 | | | | | | | | 40,000 |
| | Sub Total | | 777,689 | 1,082,440 | 39,000 | 0 | 0 | 0 | 0 | 0 | 1,899,129 |
| 8 | Drayton Park - Tennis Court Conversion | S106(OS) | 135,000 | | | | | | | | 135,000 |
| | | CILNRsv | 71,426 | 5,049 | | | | | | | 76,475 |
| | Sub Total | | 206,426 | 5,049 | 0 | 0 | 0 | 0 | 0 | 0 | 211,475 |
| 9 | Rock Gardens - Replacement of CCTV | S106(OS) | 0 | | 20,000 | | | | | | 20,000 |
| 10 | Southsea Seafront Investment - D Day 75 | CorpRsv | 23,906 | | | 401,366 | | | | | 425,272 |
| | | RCCO | 0 | | 53,600 | 25,000 | 25,000 | | | | 103,600 |
| | | LOT | 35,864 | 500,000 | 3,013,845 | | | | | | 3,549,709 |
| | | OG | 186,650 | | | | | | | | 186,650 |
| | | OC | 0 | | 302,107 | | | | | | 302,107 |
| | Sub Total | | 246,420 | 500,000 | 3,369,552 | 426,366 | 25,000 | 0 | 0 | 0 | 4,567,338 |
| 11 | Relocation of Archive Store to Southsea Library | CorpRsv | 6,547 | 23,085 | | | | | | | 29,632 |
| | | OG(DCLG)CD | 570,368 | | | | | | | | 570,368 |
| | Sub Total | | 576,915 | 23,085 | 0 | 0 | 0 | 0 | 0 | 0 | 600,000 |
| 12 | Kings Theatre - Capital Grant | CRGG | 0 | | 140,000 | | | | | | 140,000 |
| | | OG(DCLG)CD | 60,000 | | | | | | | | 60,000 |
| | Sub Total | | 60,000 | 0 | 140,000 | 0 | 0 | 0 | 0 | 0 | 200,000 |
| 13 | New Theatre Royal (Loan) | CROC | 150,000 | | | | | | | | 150,000 |
| 14 | Installation of Skate Park Equipment at Milton Park | OC | 4,000 | | | | | | | | 4,000 |
| | | CILNRsv | 12,300 | 6,600 | | | | | | | 18,900 |
| | Sub Total | | 16,300 | 6,600 | 0 | 0 | 0 | 0 | 0 | 0 | 22,900 |

CULTURE LEISURE AND SPORT PORTFOLIO

CAPITAL PROGRAMME

| Item No. | Description of Scheme | Identified Source of Finance | Exp. to 31 Mar 2016 | Revised Estimate for 2016/17 | Estimate for 2017/18 | Estimate for 2018/19 | Estimate for 2019/20 | Estimate for 2020 / 21 | Estimate for 2021 / 22 | Exp. in Subsequent Years | Final Cost |
|----------|---|------------------------------|---------------------|------------------------------|----------------------|----------------------|----------------------|------------------------|------------------------|--------------------------|---------------|
| 15 | Cycle Track Fencing at Mountbatten Centre | OR | 17,000 | 3,000 | | | | | | | 20,000 |
| | | OG | 40,000 | | | | | | | | 40,000 |
| | | OC | 17,000 | 3,000 | | | | | | | 20,000 |
| | Sub Total | | 74,000 | 6,000 | 0 | 0 | 0 | 0 | 0 | 0 | 80,000 |
| 16 | Round Tower Improvement Works | CP(DCSF)CM | 0 | | 80,000 | | | | | | 80,000 |
| 17 | Sports and Leisure Facilities Investment | UB | 0 | | 2,400,000 | | | | | | 2,400,000 |
| 18 | Butterfly House at Cumberland House | PR | 0 | | 130,000 | | | | | | 130,000 |
| 19 | In-house Parks' Mobilisation - Vehicles & Equipment | RCCO | 0 | 150,000 | 170,000 | | | | | | 320,000 |
| 20 | Kings Bastion | CorpRsv | 0 | | 135,000 | 465,000 | | | | | 600,000 |
| 21 | Charles Dickens' Gardens | CorpRsv | 0 | | 9,400 | | | | | | 9,400 |
| | | CRGG | 0 | | 15,600 | | | | | | 15,600 |
| | Sub Total | | 0 | 0 | 25,000 | 0 | 0 | 0 | 0 | 0 | 25,000 |
| 22 | D Day Museum | CorpRsv | 0 | | 132,800 | 32,200 | | | | | 165,000 |
| 23 | Contribution Towards Resurfacing South Parade Pier | S106(OS) | 0 | | 29,200 | | | | | | 29,200 |
| | | Croc | 0 | | 20,800 | | | | | | 20,800 |
| | | CILNRsv | 0 | | 25,000 | | | | | | 25,000 |
| | Sub Total | | 0 | 0 | 75,000 | 0 | 0 | 0 | 0 | 0 | 75,000 |
| 24 | Installation of Shower Facilities at Canoe Lake | CRGG | 0 | | 10,000 | | | | | | 10,000 |

CULTURE LEISURE AND SPORT PORTFOLIO

CAPITAL PROGRAMME

| Item No. | Description of Scheme | Identified Source of Finance | Exp. to 31 Mar 2016 | Revised Estimate for 2016/17 | Estimate for 2017/18 | Estimate for 2018/19 | Estimate for 2019/20 | Estimate for 2020 / 21 | Estimate for 2021 / 22 | Exp. in Subsequent Years | Final Cost |
|----------|---|------------------------------|---------------------|------------------------------|----------------------|----------------------|----------------------|------------------------|------------------------|--------------------------|-------------------|
| 25 | Watersedge Park Building | CRGG | 0 | 20,000 | | | | | | | 20,000 |
| 26 | Edwardian Seafront Shelter | CorpRsv CILNRsv | 0 0 | | 70,000 10,000 | | | | | | 70,000 10,000 |
| | Sub Total | | 0 | 0 | 80,000 | 0 | 0 | 0 | 0 | 0 | 80,000 |
| 27 | Re-provision of Bandstand at West Battery Gardens | CorpRsv | 0 | | 40,000 | | | | | | 40,000 |
| 28 | Pop Up Kiosks - Southsea Seafront | CorpRsv | 0 | | 20,000 | 20,000 | | | | | 40,000 |
| 29 | Modifications to Southsea Library | PR | 0 | | 70,000 | | | | | | 70,000 |
| | Grand Total | | 25,400,807 | 1,866,534 | 6,981,909 | 943,566 | 25,000 | 0 | 0 | 0 | 35,217,816 |

EDUCATION PORTFOLIO

CAPITAL PROGRAMME

| Item No. | Description of Scheme | Identified Source of Finance | Exp. to 31 Mar 2016 | Revised Estimate for 2016/17 | Estimate for 2017/18 | Estimate for 2018/19 | Estimate for 2019/20 | Estimate for 2020 / 21 | Estimate for 2021 / 22 | Exp. in Subsequent Years | Final Cost |
|----------|---------------------------|------------------------------|---------------------|------------------------------|----------------------|----------------------|----------------------|------------------------|------------------------|--------------------------|-------------------|
| 1 | Primary Capital Programme | GGR(DCSF)DF | 621,700 | 19,766 | | | | | | | 641,466 |
| | | GGR(DCSF)PC | 3,233,032 | | | | | | | | 3,233,032 |
| | | GGNR(DCSF)LAM | 2,274,318 | | | | | | | | 2,274,318 |
| | | B | 2,000,894 | | | | | | | | 2,000,894 |
| | | UB | (2,224) | | | | | | | | (2,224) |
| | | GGR(DCSF)DSG | 350,512 | | | | | | | | 350,512 |
| | | CRGG | 415,720 | | | | | | | | 415,720 |
| | | CorpRsv | 95,248 | | | | | | | | 95,248 |
| | | OG(DCLG)CD | 3,438,533 | | | | | | | | 3,438,533 |
| | | OC | 216,383 | | | | | | | | 216,383 |
| | | GGR(DCSF)SSEYC | 639,840 | | | | | | | | 639,840 |
| | | CP(DCSF)BN | 811,272 | 816,004 | 730,000 | | | | | | 2,357,276 |
| | | GGR(DCSF)TC | 121,151 | | | | | | | | 121,151 |
| | | CP(DCSF)CM | 52,454 | 135,359 | | | | | | | 187,813 |
| | | CP(EFA)2YR | 7,278 | | | | | | | | 7,278 |
| | | LOT | 26,724 | | | | | | | | 26,724 |
| | Sub Total | | 14,302,836 | 971,129 | 730,000 | 0 | 0 | 0 | 0 | 0 | 16,003,965 |
| 2 | Victory School | GGR(DCSF)DF | 161,200 | | | | | | | | 161,200 |
| | | GGNR(DCSF)LAM | 3,043,300 | | | | | | | | 3,043,300 |
| | | GGR(DCSF)TC | 2,005,481 | | | | | | | | 2,005,481 |
| | | CP(DCSF)CM | 0 | 20,890 | | | | | | | 20,890 |
| | | GGR(DCSF)PC | 4,579,448 | | | | | | | | 4,579,448 |
| | | B | 115,000 | | | | | | | | 115,000 |
| | | OG(DCLG)CD | 146,307 | | | | | | | | 146,307 |
| | | CorpRsv | 142,710 | | | | | | | | 142,710 |
| | Sub Total | | 10,193,446 | 20,890 | 0 | 0 | 0 | 0 | 0 | 0 | 10,214,336 |

EDUCATION PORTFOLIO
CAPITAL PROGRAMME

| Item No. | Description of Scheme | Identified Source of Finance | Exp. to 31 Mar 2016 | Revised Estimate for 2016/17 | Estimate for 2017/18 | Estimate for 2018/19 | Estimate for 2019/20 | Estimate for 2020 / 21 | Estimate for 2021 / 22 | Exp. in Subsequent Years | Final Cost |
|----------|--|------------------------------|---------------------|------------------------------|----------------------|----------------------|----------------------|------------------------|------------------------|--------------------------|------------------|
| 3 | Sufficiency Programme Phase One 2013- 2015 | OG(DCLG)CD | 2,912,328 | | | | | | | | 2,912,328 |
| | | EEA | 1,740,058 | | | | | | | | 1,740,058 |
| | | S106(EC) | 670,338 | | | | | | | | 670,338 |
| | | GGR(DCSF)DF | 55,192 | | | | | | | | 55,192 |
| | | CP(DCSF)BN | 433,009 | 311,164 | 166,650 | | | | | | 910,823 |
| | | CorpRsv | 0 | 179,607 | | | | | | | 179,607 |
| | | GGR(DCSF)SF | 27,287 | | | | | | | | 27,287 |
| | | CP(DCSF)CM | 14,508 | 3,552 | | | | | | | 18,060 |
| | | LOT | 42,060 | | | | | | | | 42,060 |
| | Sub Total | | 5,894,780 | 494,323 | 166,650 | 0 | 0 | 0 | 0 | 0 | 6,555,753 |
| 4 | Sufficiency Programme Phase Two 2015- 2017 | CP(DCSF)BN | 519,170 | | 249,879 | 1,284,200 | | | | | 2,053,249 |
| | | CorpRsv | 0 | 1,754,746 | 5,496,336 | | | | | | 7,251,082 |
| | | CIL | 635,710 | | | | | | | | 635,710 |
| | Sub Total | | 1,154,880 | 1,754,746 | 5,746,215 | 1,284,200 | 0 | 0 | 0 | 0 | 9,940,041 |
| | Secondary School Feasibility Study | S106(EC) | 41,202 | 58,798 | 50,000 | | | | | | 150,000 |
| 6 | Temporary Accommodation | S106(EC) | 300,000 | | | | | | | | 300,000 |
| | | CP(DCSF)CM | 12,890 | | | | | | | | 12,890 |
| | | CP(DCSF)BN | 3,296 | 16,874 | | | | | | | 20,170 |
| | Sub Total | | 316,186 | 16,874 | 0 | 0 | 0 | 0 | 0 | 0 | 333,060 |
| 7 | Vanguard Centre | CP(DCSF)BN | 143,941 | | 1,083,759 | 200,000 | | | | | 1,427,700 |
| | | CorpRsv | 0 | 156,059 | 77,341 | 300,000 | | | | | 533,400 |
| | | CP(DCSF)CM | 0 | | 78,000 | 300,000 | | | | | 378,000 |
| | | S106(EC) | 0 | | 121,900 | | | | | | 121,900 |
| | | CP(DCLG)DFG | 0 | | 39,000 | | | | | | 39,000 |
| | Sub Total | | 143,941 | 156,059 | 1,400,000 | 800,000 | 0 | 0 | 0 | 0 | 2,500,000 |

EDUCATION PORTFOLIO

CAPITAL PROGRAMME

| Item No. | Description of Scheme | Identified Source of Finance | Exp. to 31 Mar 2016 | Revised Estimate for 2016/17 | Estimate for 2017/18 | Estimate for 2018/19 | Estimate for 2019/20 | Estimate for 2020 / 21 | Estimate for 2021 / 22 | Exp. in Subsequent Years | Final Cost |
|----------|---|--|--|------------------------------|----------------------|----------------------|----------------------|------------------------|------------------------|--------------------------|--|
| 8 | King Richard School Rebuild 900-1000 places | GGR(DCSF)TC CorpRsv | 10,000 0 | 1,241,400 234,104 | 200,000 | | | | | | 1,251,400 434,104 |
| | Sub Total | | 10,000 | 1,475,504 | 200,000 | 0 | 0 | 0 | 0 | 0 | 1,685,504 |
| 9 | Portsmouth College Sufficiency Post 16 | CP(DCSF)CM OG(DCLG)CD | 148,115 92,443 | 3,410 | | | | | | | 151,525 92,443 |
| | Sub Total | | 240,558 | 3,410 | 0 | 0 | 0 | 0 | 0 | 0 | 243,968 |
| 10 | Schools Devolved Formula Capital 2010-16 | GGR(DCSF)DF GGR(DCSF)DSG SRCCO GGNR(DCSF)LAM | 3,203,275 4,586,884 1,136,059 335,598 | | | | | | | | 3,203,275 4,586,884 1,136,059 335,598 |
| | Sub Total | | 9,261,816 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 9,261,816 |
| 11 | Universal Infant Free School Meal Works | OG CorpRsv CP(DCSF)CM RCCO | 582,063 123,450 0 0 | 80,000 87,587 | | | | | | | 582,063 123,450 80,000 87,587 |
| | Sub Total | | 705,513 | 167,587 | 0 | 0 | 0 | 0 | 0 | 0 | 873,100 |
| 12 | Universal Infant Free School Meal Provision | CRGG GGR(DCSF)SSEYC OC OG(DCLG)CD CP(DCSF)CM | 22 273 176,388 415,012 1,444 | 35,563 | | | | | | | 35,585 273 176,388 415,012 1,444 |
| | Sub Total | | 593,139 | 35,563 | 0 | 0 | 0 | 0 | 0 | 0 | 628,702 |

EDUCATION PORTFOLIO

CAPITAL PROGRAMME

| Item No. | Description of Scheme | Identified Source of Finance | Exp. to 31 Mar 2016 | Revised Estimate for 2016/17 | Estimate for 2017/18 | Estimate for 2018/19 | Estimate for 2019/20 | Estimate for 2020 / 21 | Estimate for 2021 / 22 | Exp. in Subsequent Years | Final Cost |
|----------|---|--|---|------------------------------|----------------------|----------------------|----------------------|------------------------|------------------------|--------------------------|---|
| 13 | Salix | UBS RCCO | 57,533 0 | 2,780 10,691 | | | | | | | 60,313 10,691 |
| | Sub Total | | 57,533 | 13,471 | 0 | 0 | 0 | 0 | 0 | 0 | 71,004 |
| 14 | St Edmunds SI Provision | CP(DCSF)CM OC GGR(DCSF)SF GGR(DCSF)SSEYC CorpRsv OG(DCLG)CD | 256,994 77,324 11,469 341 10,866 121,329 | 9,859 | | | | | | | 266,853 77,324 11,469 341 10,866 121,329 |
| | Sub Total | | 478,323 | 9,859 | 0 | 0 | 0 | 0 | 0 | 0 | 488,182 |
| | Access SEN Pupils | B OG(DCLG)CD CP(DCSF)CM CP(EFA)2YR | 67,529 85,409 95,031 0 | 9,356 25,894 | | | | | | | 67,529 85,409 104,387 25,894 |
| | Sub Total | | 247,969 | 35,250 | 0 | 0 | 0 | 0 | 0 | 0 | 283,219 |
| 16 | ALN Lift Repairs | CP(DCSF)BN OG(DCLG)CD CP(DCSF)CM | 41,033 1,028 (979) | 1,108 | | | | | | | 41,033 1,028 129 |
| | Sub Total | | 41,082 | 1,108 | 0 | 0 | 0 | 0 | 0 | 0 | 42,190 |
| 17 | Mayfield East Field | CP(DCSF)CM | 750 | 0 | | | | | | | 750 |
| 18 | Schools Conditions Projects - Modernisation | CP(DCSF)CM GGR(DCSF)DF CP(EFA)2YR | 1,073,558 123,193 31,000 | 84,475 149,983 | 24,000 | | | | | | 1,182,033 273,176 31,000 |
| | Sub Total | | 1,227,751 | 234,458 | 24,000 | 0 | 0 | 0 | 0 | 0 | 1,486,209 |

EDUCATION PORTFOLIO

CAPITAL PROGRAMME

| Item No. | Description of Scheme | Identified Source of Finance | Exp. to 31 Mar 2016 | Revised Estimate for 2016/17 | Estimate for 2017/18 | Estimate for 2018/19 | Estimate for 2019/20 | Estimate for 2020 / 21 | Estimate for 2021 / 22 | Exp. in Subsequent Years | Final Cost |
|----------|---|------------------------------|---------------------|------------------------------|----------------------|----------------------|----------------------|------------------------|------------------------|--------------------------|------------------|
| 19 | School Condition Projects 2014-2016 | B | 1,000 | | | | | | | | 1,000 |
| | | UB | 42,120 | | | | | | | | 42,120 |
| | | CorpRsv | 64,026 | | | | | | | | 64,026 |
| | | SRCCO | 8,727 | | | | | | | | 8,727 |
| | | GGR(DCSF)DF | 346,615 | 41,829 | | | | | | | 388,444 |
| | | GGR(DCSF)SF | 365 | | | | | | | | 365 |
| | | GGNR(DCSF)LAM | 33,998 | | | | | | | | 33,998 |
| | | CP(DCSF)BN | 3,464 | | | | | | | | 3,464 |
| | | CP(DCSF)CM | 544,944 | 110,885 | 3,500 | | | | | | 659,329 |
| | | CP(EFA)2YR | 63,733 | | | | | | | | 63,733 |
| | | OG(DCLG)CD | 1,571,898 | | | | | | | | 1,571,898 |
| | | OG | 7,936 | | | | | | | | 7,936 |
| | Sub Total | | 2,688,826 | 152,714 | 3,500 | 0 | 0 | 0 | 0 | 0 | 2,845,040 |
| 20 | Portsmouth Primary Emergency Lighting | CP(DCSF)CM | 7,000 | | | | | | | | 7,000 |
| | | B | 21,750 | | | | | | | | 21,750 |
| | | GGR(DCSF)DF | 10,812 | | | | | | | | 10,812 |
| | Sub Total | | 39,562 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 39,562 |
| 21 | School Conditions Project 2016/17 | CP(DCSF)BN | 17,182 | 725,000 | | | | | | | 742,182 |
| | | CP(DCSF)CM | 0 | 114,000 | 55,200 | | | | | | 169,200 |
| | | GGR(DCSF)DF | 0 | 90,018 | | | | | | | 90,018 |
| | | OC | 0 | 25,000 | | | | | | | 25,000 |
| | Sub Total | | 17,182 | 954,018 | 55,200 | 0 | 0 | 0 | 0 | 0 | 1,026,400 |
| 22 | Secondary School Places Expansion Phase (1) | CorpRsv | 0 | | 478,598 | 620,000 | | | | | 1,098,598 |
| | | CROC | 0 | 300,000 | 101,402 | | | | | | 401,402 |
| | Sub Total | | 0 | 300,000 | 580,000 | 620,000 | 0 | 0 | 0 | 0 | 1,500,000 |

EDUCATION PORTFOLIO

CAPITAL PROGRAMME

| Item No. | Description of Scheme | Identified Source of Finance | Exp. to 31 Mar 2016 | Revised Estimate for 2016/17 | Estimate for 2017/18 | Estimate for 2018/19 | Estimate for 2019/20 | Estimate for 2020 / 21 | Estimate for 2021 / 22 | Exp. in Subsequent Years | Final Cost |
|--------------------|--|------------------------------|---------------------|------------------------------|----------------------|----------------------|----------------------|------------------------|------------------------|--------------------------|-------------------|
| 23 | Special Education Needs - Building Alterations | CP(DCSF)BN | 0 | 100,000 | 252,900 | | | | | | 352,900 |
| | | CP(DCSF)CM | 0 | 97,560 | 741,100 | | | | | | 838,660 |
| | | OC | 0 | | 36,000 | 1,464,000 | 500,000 | | | | 2,000,000 |
| | Sub Total | | 0 | 197,560 | 1,030,000 | 1,464,000 | 500,000 | 0 | 0 | 0 | 3,191,560 |
| 24 | Schools DFC Balances and devolved 2016-17 | GGR(DCSF)DF | 0 | 384,917 | | | | | | | 384,917 |
| | | GGR(DCSF)DF | 0 | 1,197,258 | 1,100,000 | | | | | | 2,297,258 |
| | | GGR(DCSF)DSG | 0 | | | | | | | | 0 |
| | Sub Total | | 0 | 1,582,175 | 1,100,000 | 0 | 0 | 0 | 0 | 0 | 2,682,175 |
| 25 | Sufficiency of Secondary School Places | CorpRsv | 0 | | | | 489,437 | | | | 489,437 |
| | | CP(DCSF)BN | 0 | | 100,000 | 1,650,000 | 2,230,563 | | | | 3,980,563 |
| | Subtotal | | 0 | 0 | 100,000 | 1,650,000 | 2,720,000 | 0 | 0 | 0 | 4,470,000 |
| 26 | Future Secondary School Places | CP(DCSF)BN | 0 | | | | | 448,100 | | | 448,100 |
| | | CP(DCSF)CM | 0 | | | | | 551,900 | | | 551,900 |
| | Subtotal | | 0 | 0 | 0 | 0 | 0 | 1,000,000 | 0 | 0 | 1,000,000 |
| 27 | School Conditions Project 2017-18 | OC | 0 | | 100,000 | | | | | | 100,000 |
| | | CP(DCSF)CM | 0 | | 1,000,000 | | | | | | 1,000,000 |
| | Subtotal | | 0 | 0 | 1,100,000 | 0 | 0 | 0 | 0 | 0 | 1,100,000 |
| Grand Total | | | 47,657,275 | 8,635,496 | 12,285,565 | 5,818,200 | 3,220,000 | 1,000,000 | 0 | 0 | 78,616,536 |

ENVIRONMENT & COMMUNITY SAFETY PORTFOLIO

CAPITAL PROGRAMME

| Item No. | Description of Scheme | Identified Source of Finance | Exp. to 31 Mar 2016 | Revised Estimate for 2016/17 | Estimate for 2017/18 | Estimate for 2018/19 | Estimate for 2019/20 | Estimate for 2020 / 21 | Estimate for 2021 / 22 | Exp. in Subsequent Years | Final Cost |
|----------|---|----------------------------------|---------------------|------------------------------|---------------------------|--------------------------|----------------------|------------------------|------------------------|--------------------------|----------------------------|
| 1 | Portsea Island - Flood Cell 4: North Portsea Island - Coastal Flood and Erosion Risk Management | OGENV | 6,290,932 | 4,730,000 | 5,335,000 | 6,035,000 | 5,535,000 | 4,827,000 | 4,600,000 | 6,871,000 | 44,223,932 |
| 2 | Air Quality Action plan | GGR(DEFRA)AQME CorpRsv | 150,080 0 | 21,701 13,000 | | | | | | | 171,781 13,000 |
| | Sub Total | | 150,080 | 34,701 | 0 | 0 | 0 | 0 | 0 | 0 | 184,781 |
| 3 | Horsea Island Country Park - Fencing | CorpRsv S106(OS) CP(DFT)IT | 0 36,473 0 | | 2,600 45,000 7,100 | 2,600 45,100 7,100 | | | | | 5,200 134,600 14,200 |
| | Sub Total | | 44,500 | 0 | 54,700 | 54,800 | 0 | 0 | 0 | 0 | 154,000 |
| 4 | CCTV Upgrades | GGNR(HO)SSC CorpRsv RCCO | 65,200 0 0 | | 4,300 10,000 50,000 | | | | | | 69,500 30,000 50,000 |
| | Sub Total | | 65,200 | 10,000 | 74,300 | 0 | 0 | 0 | 0 | 0 | 149,500 |
| 5 | CCTV Systems and Control Room Infrastructure | CorpRsv OG(PHE)CS | 132,963 15,000 | | | | | | | | 132,963 15,000 |
| | Sub Total | | 147,963 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 147,963 |
| 6 | In House Vehicle Purchases | CorpRsv | 29,475 | | | | | | | | 29,475 |
| 7 | Public Conveniences - Charging Mechanisms | CorpRsv OG(DCLG)CD | 24,240 35,750 | | | | | | | | 24,240 35,750 |
| | Sub Total | | 59,990 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 59,990 |
| 8 | Weekly Waste Collection Support Scheme | CorpRsv OG(DCLG)CD | 31,524 344,881 | | | | | | | | 31,524 344,881 |
| | Sub Total | | 376,405 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 376,405 |

ENVIRONMENT & COMMUNITY SAFETY PORTFOLIO
CAPITAL PROGRAMME

| Item No. | Description of Scheme | Identified Source of Finance | Exp. to 31 Mar 2016 | Revised Estimate for 2016/17 | Estimate for 2017/18 | Estimate for 2018/19 | Estimate for 2019/20 | Estimate for 2020 / 21 | Estimate for 2021 / 22 | Exp. in Subsequent Years | Final Cost |
|--------------------|--|--------------------------------------|------------------------|--|--|-----------------------------------|------------------------|------------------------|------------------------|--------------------------|---|
| 9 | Southsea Enhancement Design | S106(OS) CorpRsv | 15,801 0 | 39,572 31,857 | 39,572 31,857 | 39,572 31,857 | 39,572 31,857 | 39,570 31,857 | 39,570 31,858 | 23,771 31,857 | 277,000 223,000 |
| | Sub Total | | 15,801 | 71,429 | 71,429 | 71,429 | 71,429 | 71,427 | 71,428 | 55,628 | 500,000 |
| 10 | Surface Water Separation | CorpRsv | 11,983 | 53,017 | | | | | | | 65,000 |
| 11 | Emergency Repairs to Southsea Sea Defences | OGENV | 407,102 | 257,589 | | | | | | | 664,691 |
| 12 | Southsea Coastal Flood Defence | OGENV OC CorpRsv CP(DCSF)CM | 704,392 0 0 0 | 894,000 907,000 250,000 750,000 | 2,973,000 1,214,000 815,100 184,900 | 3,557,000 1,707,000 500,000 | 5,346,000 1,745,000 | 9,232,000 9,883,000 | 44,440,000 | | 77,029,392 5,573,000 1,565,100 934,900 |
| | Sub Total | | 704,392 | 894,000 | 4,880,000 | 5,771,000 | 7,553,000 | 10,977,000 | 9,883,000 | 44,440,000 | 85,102,392 |
| 13 | Household Waste Collection | CorpRsv | 0 | | 83,400 | 27,800 | | | | | 111,200 |
| 14 | Old Portsmouth Seawalls' Maintenance | CorpRsv | 0 | | 30,000 | 50,000 | 40,000 | | | | 120,000 |
| Grand Total | | | 8,303,823 | 6,050,736 | 10,528,829 | 12,010,029 | 13,199,429 | 15,875,427 | 14,554,428 | 51,366,628 | 131,889,329 |

HEALTH AND SOCIAL CARE PORTFOLIO

CAPITAL PROGRAMME

| Item No. | Description of Scheme | Identified Source of Finance | Exp. to 31 Mar 2016 | Revised Estimate for 2016/17 | Estimate for 2017/18 | Estimate for 2018/19 | Estimate for 2019/20 | Estimate for 2020 / 21 | Estimate for 2021 / 22 | Exp. in Subsequent Years | Final Cost |
|----------|---|-------------------------------------|--|------------------------------|----------------------|----------------------|----------------------|------------------------|------------------------|--------------------------|--|
| 1 | Mental Health Supported Capital Expenditure - Various Schemes | B UB GGNR(DH)MH | 208,277 6,871 63,900 | | | | | | | | 208,277 6,871 63,900 |
| | Sub Total | | 279,048 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 279,048 |
| 2 | 4 Sites Project | CorpRsv OG(DCLG)CD MTRS UB | 1,060,785 1,016,137 249,670 247,295 | | | | | | | | 1,060,785 1,016,137 249,670 247,295 |
| | Sub Total | | 2,573,887 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,573,887 |
| | Common Assessment Framework | GGR(DH)CAF | 60,029 | | 51,383 | | | | | | 111,412 |
| | New & Improved Models of Care (East Lodge) | CP(DH)CG OG(DCLG)CD CorpRsv | 93,744 587,189 3,176 | | | | | | | | 93,744 587,189 3,176 |
| | Sub Total | | 684,109 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 684,109 |
| 5 | Autism Capital Grants | OG | 17,215 | 1,285 | | | | | | | 18,500 |
| 6 | Reconfiguration of Corben Lodge | S106(Hsg) CP(DCSF)CM | 8,127 0 | 50,873 1,091,000 | | | | | | | 59,000 1,091,000 |
| | Sub Total | | 8,127 | 1,141,873 | 0 | 0 | 0 | 0 | 0 | 0 | 1,150,000 |
| 7 | Refurbishment of Hilsea Annexe | S106(Hsg) | 0 | 140,000 | | | | | | | 140,000 |
| 8 | Canvas Coffee Shop | OG(PHE)Health | 20,106 | | | | | | | | 20,106 |
| 9 | Portsmouth Recovery Centre | OG(PHE)Health | 0 | 266,000 | | | | | | | 266,000 |
| 10 | Better Care Fund | BCF(OG)DOH | 0 | 50,000 | 446,000 | | | | | | 496,000 |

HEALTH AND SOCIAL CARE PORTFOLIO

CAPITAL PROGRAMME

| Item No. | Description of Scheme | Identified Source of Finance | Exp. to 31 Mar 2016 | Revised Estimate for 2016/17 | Estimate for 2017/18 | Estimate for 2018/19 | Estimate for 2019/20 | Estimate for 2020 / 21 | Estimate for 2021 / 22 | Exp. in Subsequent Years | Final Cost |
|--------------------|----------------------------|------------------------------|---------------------|------------------------------|----------------------|----------------------|----------------------|------------------------|------------------------|--------------------------|------------------|
| 11 | Swift Software Replacement | CROC | 0 | | | | 80,200 | | | | 80,200 |
| | | CRGG | 0 | | | | 700 | | | | 700 |
| | | CP(DH)CG | 0 | | | | 319,100 | | | | 319,100 |
| | | OR | 0 | | | 163,000 | 100,000 | | | | 263,000 |
| | | BCF(OG)DOH | 0 | | 234,000 | 266,000 | | | | | 500,000 |
| | Sub Total | | 0 | 0 | 234,000 | 429,000 | 500,000 | 0 | 0 | 0 | 1,163,000 |
| 12 | Assistive Technology | OR | 0 | | 150,000 | 150,000 | | | | | 300,000 |
| Grand Total | | | 3,642,521 | 1,599,158 | 881,383 | 579,000 | 500,000 | 0 | 0 | 0 | 7,202,062 |

PLANNING, REGENERATION & ECONOMIC DEVELOPMENT PORTFOLIO

CAPITAL PROGRAMME

| Item No. | Description of Scheme | Identified Source of Finance | Exp. to 31 Mar 2016 | Revised Estimate for 2016/17 | Estimate for 2017/18 | Estimate for 2018/19 | Estimate for 2019/20 | Estimate for 2020 / 21 | Estimate for 2021 / 22 | Exp. in Subsequent Years | Final Cost |
|----------|--------------------------------------|------------------------------|---------------------|------------------------------|----------------------|----------------------|----------------------|------------------------|------------------------|--------------------------|-------------------|
| 1 | Palmerston Road Improvements | CorpRsv | 326,299 | 57,900 | 115,801 | | | | | | 500,000 |
| 2 | City Centre Development - Road | CorpRsv | 0 | | | | | 719,947 | 2,315,300 | | 3,035,247 |
| | | CP(DFT)IT | (5,801) | 123,920 | 314,780 | | | | 623,000 | | 1,055,899 |
| | | UB | 8,291 | | | | | | | | 8,291 |
| | | OG(DCLG)CD | 1,036,008 | | | | | | | | 1,036,008 |
| | | CIL | 0 | 176,080 | 585,220 | 500,000 | 4,000,000 | 5,580,053 | | | 10,841,353 |
| | | S106(ST) | 0 | | | | | | 42,900 | | 42,900 |
| | | S106(EW) | 5,440 | | | | | | | | 5,440 |
| | | CRGG | 0 | | | | | | 18,800 | | 18,800 |
| | | OC | 0 | | 2,200,000 | 9,000,000 | 11,000,000 | 2,000,000 | | | 24,200,000 |
| | | CROC | 32,566 | | | | | | | | 32,566 |
| | Sub Total | | 1,076,504 | 300,000 | 3,100,000 | 9,500,000 | 15,000,000 | 8,300,000 | 3,000,000 | 0 | 40,276,504 |
| 3 | Enterprise Centre Dilapidations | CorpRsv | 0 | 40,000 | | | | | | | 40,000 |
| | | RCCO | 0 | | 30,000 | | | | | | 30,000 |
| | Sub Total | | 0 | 40,000 | 30,000 | 0 | 0 | 0 | 0 | 0 | 70,000 |
| 4 | Cosham High Street | CP(DFT)IT | 1,378 | | | | | | | | 1,378 |
| | | OG(DCLG)CD | 32,007 | | | | | | | | 32,007 |
| | Sub Total | | 33,385 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 33,385 |
| 5 | Dunsbury Hill Farm - Access Road | CorpRsv | 0 | 181,046 | | | | | | | 181,046 |
| | | OG(DCLG)CD | 568,954 | | | | | | | | 568,954 |
| | | OC | 4,540,000 | | | | | | | | 4,540,000 |
| | | LEP | 241,078 | | | | | | | | 241,078 |
| | | UB | 1,981,008 | 2,073,307 | 414,607 | | | | | | 4,468,922 |
| | Sub Total | | 7,331,040 | 2,254,353 | 414,607 | 0 | 0 | 0 | 0 | 0 | 10,000,000 |
| 6 | Dunsbury Hill - Utilities & Enabling | UB | 248,607 | 2,495,174 | 56,219 | | | | | | 2,800,000 |

PLANNING, REGENERATION & ECONOMIC DEVELOPMENT PORTFOLIO

CAPITAL PROGRAMME

| Item No. | Description of Scheme | Identified Source of Finance | Exp. to 31 Mar 2016 | Revised Estimate for 2016/17 | Estimate for 2017/18 | Estimate for 2018/19 | Estimate for 2019/20 | Estimate for 2020 / 21 | Estimate for 2021 / 22 | Exp. in Subsequent Years | Final Cost |
|----------|---|------------------------------|---------------------|------------------------------|----------------------|----------------------|----------------------|------------------------|------------------------|--------------------------|-------------------|
| 7 | Dunsbury Hill - Plot 2 | UB | 525,977 | 8,722,323 | | | | | | | 9,248,300 |
| 8 | City Deal | OG(DCLG)CD | 4,072,035 | | | | | | | | 4,072,035 |
| | | CorpRsv | 0 | | | 1,227,787 | | | | | 1,227,787 |
| | | CIL | 0 | | | 972,213 | | | | | 972,213 |
| | | OC | 22,000 | | | | | | | | 22,000 |
| | | ORCD | 0 | | | 786,280 | | | | | 786,280 |
| | Replacement Financing For City Deal Grant | UB | 0 | | | 3,128,267 | | | | | 3,128,267 |
| | | CP(DCSF)CM | 0 | | 3,722,451 | | | | | | 3,722,451 |
| | | CP(DCSF)BN | 0 | | 4,478,312 | | | | | | 4,478,312 |
| | | CP(DH)CG | 0 | 654,533 | | | | | | | 654,533 |
| | | CP(DFT)IT | 0 | | 767,237 | 2,684,045 | | | | | 3,451,282 |
| | | CP(DFT)HM | 721 | | | 2,012,773 | | | | | 2,013,494 |
| | | CP(DCLG)DFG | 206,864 | 46,215 | | 412,968 | | | | | 666,047 |
| | | CRGG | 0 | | | 1,031,772 | | | | | 1,031,772 |
| | | CROC | 0 | | | 1,438,617 | | | | | 1,438,617 |
| | | MTRS | 0 | 775,705 | | | | | | | 775,705 |
| | | ORCD | 730,000 | | | 8,596,938 | | | | | 9,326,938 |
| | | OR | 0 | | | 13,392,000 | | | | | 13,392,000 |
| | | CP(EFA)2YR | 0 | 331,656 | | | | | | | 331,656 |
| | | S106(ST) | 0 | 161,376 | | | | | | | 161,376 |
| | | S106(OS) | 0 | 105,515 | | | | | | | 105,515 |
| | Sub Total | | 5,031,620 | 2,075,000 | 8,968,000 | 35,683,660 | 0 | 0 | 0 | 0 | 51,758,280 |
| 9 | Hampshire Community Bank | UB | 86,985 | 2,413,015 | 1,250,000 | 1,250,000 | | | | | 5,000,000 |
| | | CorpRsv | 0 | 35,300 | 22,115 | 6,000 | | | | | 63,415 |
| | | MTRS | 0 | 66,395 | 18,905 | | | | | | 85,300 |
| | | OC | 0 | 20,790 | 6,980 | | | | | | 27,770 |
| | Sub Total | | 86,985 | 2,535,500 | 1,298,000 | 1,256,000 | 0 | 0 | 0 | 0 | 5,176,485 |

PLANNING, REGENERATION & ECONOMIC DEVELOPMENT PORTFOLIO

CAPITAL PROGRAMME

| Item No. | Description of Scheme | Identified Source of Finance | Exp. to 31 Mar 2016 | Revised Estimate for 2016/17 | Estimate for 2017/18 | Estimate for 2018/19 | Estimate for 2019/20 | Estimate for 2020 / 21 | Estimate for 2021 / 22 | Exp. in Subsequent Years | Final Cost |
|----------|---------------------------------------|------------------------------|---------------------|------------------------------|----------------------|----------------------|----------------------|------------------------|------------------------|--------------------------|--------------------|
| 10 | Limberline Phase III | CorpRsv | 0 | 459,716 | | | | | | | 459,716 |
| | | LEP | 302,284 | | | | | | | | 302,284 |
| | | UB | 1,266,032 | 2,221,968 | | | | | | | 3,488,000 |
| | | PR | 0 | 185,000 | | | | | | | 185,000 |
| | Sub Total | | 1,568,316 | 2,866,684 | 0 | 0 | 0 | 0 | 0 | 0 | 4,435,000 |
| 11 | City Centre Public Realm Improvements | S106(OS) | 0 | | | 800 | | | | | 800 |
| | | CorpRsv | 0 | 72,980 | 202,320 | 99,200 | | | | | 374,500 |
| | | CROC | 0 | 98,920 | 22,680 | | | | | | 121,600 |
| | | CP(DFT)IT | 780 | 2,320 | 0 | | | | | | 3,100 |
| | Sub Total | | 780 | 174,220 | 225,000 | 100,000 | 0 | 0 | 0 | 0 | 500,000 |
| 12 | London Road, North End | CorpRsv | 21,987 | 78,013 | | | | | | | 100,000 |
| | | RCCO | 0 | 60,000 | | | | | | | 60,000 |
| | Sub Total | | 21,987 | 138,013 | 0 | 0 | 0 | 0 | 0 | 0 | 160,000 |
| 13 | Seafront Developments | CorpRsv | 0 | | 61,600 | | | | | | 61,600 |
| | | CROC | 0 | | 38,400 | | | | | | 38,400 |
| | Sub Total | | 0 | 0 | 100,000 | 0 | 0 | 0 | 0 | 0 | 100,000 |
| 14 | Local Enterprise Partnership | OC | 15,000,000 | 1,310,300 | 5,350,000 | 2,500,000 | 3,500,000 | 3,550,000 | | | 31,210,300 |
| | | LEP | 29,461,432 | 43,198,600 | 18,982,000 | 10,817,900 | 9,252,700 | 9,252,700 | | | 120,965,332 |
| | | LEPCapRec | 0 | 352,790 | | | | | | | 352,790 |
| | | LEP(DCLG) | 1,075,000 | 3,664,210 | 267,300 | 736,200 | 525,000 | 525,000 | | | 6,792,710 |
| | | LEP(OG) | 4,446,867 | 2,643,100 | | | | | | | 7,089,967 |
| | Replacement Financing For LEP | UB | 0 | 241,100 | | | | | | | 241,100 |
| | | CorpRsv | 0 | 302,300 | | | | | | | 302,300 |
| | | CRGG | 0 | 456,600 | | | | | | | 456,600 |
| | Sub Total | | 49,983,299 | 52,169,000 | 24,599,300 | 14,054,100 | 13,277,700 | 13,327,700 | 0 | 0 | 167,411,099 |

PLANNING, REGENERATION & ECONOMIC DEVELOPMENT PORTFOLIO

CAPITAL PROGRAMME

| Item No. | Description of Scheme | Identified Source of Finance | Exp. to 31 Mar 2016 | Revised Estimate for 2016/17 | Estimate for 2017/18 | Estimate for 2018/19 | Estimate for 2019/20 | Estimate for 2020 / 21 | Estimate for 2021 / 22 | Exp. in Subsequent Years | Final Cost |
|----------|--|------------------------------|---------------------|------------------------------|----------------------|----------------------|----------------------|------------------------|------------------------|--------------------------|--------------------|
| 15 | Re-provision of Children's Home | MTRS | 501,442 | 81,558 | | | | | | | 583,000 |
| | | CorpRsv | 0 | 35,000 | | | | | | | 35,000 |
| | Sub Total | | 501,442 | 116,558 | 0 | 0 | 0 | 0 | 0 | 0 | 618,000 |
| 16 | Medina House Refurbishment | CorpRsv | 138,114 | 177,886 | | | | | | | 316,000 |
| | | RCCO | 0 | 125,000 | | | | | | | 125,000 |
| | Sub Total | | 138,114 | 302,886 | 0 | 0 | 0 | 0 | 0 | 0 | 441,000 |
| 17 | Commercial Property Acquisition Fund | UB | 32,545,035 | 31,100,000 | 46,354,965 | | | | | | 110,000,000 |
| | | CorpRsv | 0 | | 7,734,000 | 20,000,000 | | | | | 27,734,000 |
| | Sub Total | | 32,545,035 | 31,100,000 | 54,088,965 | 20,000,000 | 0 | 0 | 0 | 0 | 137,734,000 |
| 18 | Investment Properties | CorpRsv | 0 | 45,414,000 | | | | | | | 45,414,000 |
| 19 | Freehold Acquisition of Land Adjacent to MMD | UB | 4,049 | 745,951 | | | | | | | 750,000 |
| | | PR | 0 | 34,500 | | | | | | | 34,500 |
| | Sub Total | | 4,049 | 780,451 | 0 | 0 | 0 | 0 | 0 | 0 | 784,500 |
| 20 | Public Realm Improvement by The Hard | CP(DCSF)CM | 0 | | 300,000 | | | | | | 300,000 |
| 21 | Guildhall Investment (Match Funding) | CP(DCSF)CM | 0 | | | 300,000 | | | | | 300,000 |
| 22 | Purchase of New Depot | UB | 2,601 | 2,197,399 | | | | | | | 2,200,000 |
| | | RCCO | 0 | 150,000 | | | | | | | 150,000 |
| | | PR | 0 | 147,235 | | | | | | | 147,235 |
| | Sub Total | | 2,601 | 2,494,634 | 0 | 0 | 0 | 0 | 0 | 0 | 2,497,235 |
| 23 | Civic Offices' Basement Refurbishment | RCCO | 0 | 249,000 | | | | | | | 249,000 |

PLANNING, REGENERATION & ECONOMIC DEVELOPMENT PORTFOLIO

CAPITAL PROGRAMME

| Item No. | Description of Scheme | Identified Source of Finance | Exp. to 31 Mar 2016 | Revised Estimate for 2016/17 | Estimate for 2017/18 | Estimate for 2018/19 | Estimate for 2019/20 | Estimate for 2020 / 21 | Estimate for 2021 / 22 | Exp. in Subsequent Years | Final Cost |
|--------------------|--|------------------------------|---------------------|------------------------------|----------------------|----------------------|----------------------|------------------------|------------------------|--------------------------|--------------------|
| 24 | Renovation of Victoria Park Lodge | CorpRsv | 0 | | 75,000 | 25,000 | | | | | 100,000 |
| 25 | Public Realm Improvements - Chaucer House | CWCIL | 0 | | 297,000 | 297,000 | | | | | 594,000 |
| 26 | Portsmouth Area Rape Crisis Service - Building Maintenance | CorpRsv | 0 | | 50,000 | | | | | | 50,000 |
| Grand Total | | | 99,426,040 | 154,285,696 | 93,717,892 | 81,215,760 | 28,277,700 | 21,627,700 | 3,000,000 | 0 | 481,550,788 |

COMMERCIAL PORT

CAPITAL PROGRAMME

| Item No. | Description of Scheme | Identified Source of Finance | Exp. to 31 Mar 2016 | Revised Estimate for 2016/17 | Estimate for 2017/18 | Estimate for 2018/19 | Estimate for 2019/20 | Estimate for 2020 / 21 | Estimate for 2021 / 22 | Exp. in Subsequent Years | Final Cost |
|----------|---|------------------------------|---------------------|------------------------------|----------------------|----------------------|----------------------|------------------------|------------------------|--------------------------|-------------------|
| 1 | New Terminal Building | UB | 15,900,350 | | | | | | | | 15,900,350 |
| | | OG(DCLG)CD | 139,396 | | | | | | | | 139,396 |
| | | EUG | 421,058 | | | | | | | | 421,058 |
| | | CorpRsv | 11,261 | 4,739 | | | | | | | 16,000 |
| | Sub Total | | 16,472,065 | 4,739 | 0 | 0 | 0 | 0 | 0 | 0 | 16,476,804 |
| 2 | Dredging - Albert Johnson & Flathouse Quays | B | 238,500 | | | | | | | | 238,500 |
| | | CorpRsv | 2,857,469 | (30,000) | | | | | | | 2,827,469 |
| | | OG(DCLG)CD | 453,544 | 30,000 | | | | | | | 483,544 |
| | Sub Total | | 3,549,513 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3,549,513 |
| 3 | Port Infrastructure | CorpRsv | 0 | | | 680,471 | | | | | 680,471 |
| | | CRGG | 0 | | | 926 | | | | | 926 |
| | Sub Total | | 0 | 0 | 0 | 681,397 | 0 | 0 | 0 | 0 | 681,397 |
| 4 | Port Master System | CorpRsv | 0 | 60,000 | 113,026 | | | | | | 173,026 |
| | | OG(DCLG)CD | 24,274 | | | | | | | | 24,274 |
| | Sub Total | | 24,274 | 60,000 | 113,026 | 0 | 0 | 0 | 0 | 0 | 197,300 |
| 5 | Port Regeneration | OG(DCLG)CD | 43,362 | | | | | | | | 43,362 |
| | | LEP | 456,638 | | | | | | | | 456,638 |
| | | UB | 3,059,459 | 1,800,000 | 650,000 | 2,300,000 | 3,500,000 | 2,200,541 | | | 13,510,000 |
| | Sub Total | | 3,559,459 | 1,800,000 | 650,000 | 2,300,000 | 3,500,000 | 2,200,541 | 0 | 0 | 14,010,000 |
| 6 | Automatic Line Handling Equipment | MTRS | 24,328 | | | | | | | | 24,328 |
| | | OG(DCLG)CD | 427,792 | (30,000) | | | | | | | 397,792 |
| | | EUG | 28,981 | 30,000 | | | | | | | 58,981 |
| | Sub Total | | 481,101 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 481,101 |

COMMERCIAL PORT

CAPITAL PROGRAMME

| Item No. | Description of Scheme | Identified Source of Finance | Exp. to 31 Mar 2016 | Revised Estimate for 2016/17 | Estimate for 2017/18 | Estimate for 2018/19 | Estimate for 2019/20 | Estimate for 2020 / 21 | Estimate for 2021 / 22 | Exp. in Subsequent Years | Final Cost |
|----------|------------------------------|------------------------------|---------------------|------------------------------|----------------------|----------------------|----------------------|------------------------|------------------------|--------------------------|------------------------|
| 7 | Check-in Canopies | CorpRsv OG(DCLG)CD | 7,274 346,832 | | | | | | | | 7,274 346,832 |
| | Sub Total | | 354,106 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 354,106 |
| 8 | Purchase of Linkspan Berth 3 | UB | 0 | 10,000 | | 690,000 | | | | | 700,000 |
| 9 | Purchase of Linkspan Berth 4 | CorpRsv UB | 0 0 | 1,000,000 260,000 | 7,625,000 | 115,000 | | | | | 1,000,000 8,000,000 |
| | Sub Total | | 0 | 1,260,000 | 7,625,000 | 115,000 | 0 | 0 | 0 | 0 | 9,000,000 |
| | Grand Total | | 24,440,518 | 3,134,739 | 8,388,026 | 3,786,397 | 3,500,000 | 2,200,541 | 0 | 0 | 45,450,221 |

RESOURCES PORTFOLIO

CAPITAL PROGRAMME

| Item No. | Description of Scheme | Identified Source of Finance | Exp. to 31 Mar 2016 | Revised Estimate for 2016/17 | Estimate for 2017/18 | Estimate for 2018/19 | Estimate for 2019/20 | Estimate for 2020 / 21 | Estimate for 2021 / 22 | Exp. in Subsequent Years | Final Cost |
|----------|--|------------------------------|---------------------|------------------------------|----------------------|----------------------|----------------------|------------------------|------------------------|--------------------------|------------------|
| 1 | Project Management | CorpRsv | 0 | | 44,900 | | | | | | 44,900 |
| 2 | Landlord's Maintenance | CorpRsv | 2,268,649 | 1,592,746 | 377,683 | 547,500 | | | | | 4,786,578 |
| | | RCCO | 0 | | 113,000 | 0 | | | | | 113,000 |
| | | S106(Hsg) | 0 | | | 43,500 | | | | | 43,500 |
| | | CP(DCSF)CM | 331,301 | | | | | | | | 331,301 |
| | | CP(DFT)IT | 175,115 | | | | | | | | 175,115 |
| | | OG(DCLG)CD | 1,859,528 | (92,745) | | | | | | | 1,766,783 |
| | | CMR | 65,750 | | | | | | | | 65,750 |
| | | CROC | 0 | | 1,317 | 383,183 | | | | | 384,500 |
| | Sub Total | | 4,700,343 | 1,500,001 | 492,000 | 974,183 | 0 | 0 | 0 | 0 | 7,666,527 |
| 3 | Landlord's Maintenance - Capital Contingency | CorpRsv | 0 | | 215,000 | | | | | | 215,000 |
| | | CRGG | 0 | | 196,000 | | | | | | 196,000 |
| | Sub Total | | 0 | 0 | 411,000 | 0 | 0 | 0 | 0 | 0 | 411,000 |
| 4 | MMD - Capital Advances | UB | 7,894,000 | 160,000 | 30,000 | | | | | | 8,084,000 |
| | | OG(DCLG)CD | 250,000 | | | | | | | | 250,000 |
| | Sub Total | | 8,144,000 | 160,000 | 30,000 | 0 | 0 | 0 | 0 | 0 | 8,334,000 |
| 5 | Port Leased Plant and Equipment | UB | 0 | 2,175,000 | 1,500,000 | | | | | | 3,675,000 |
| 6 | Asset Management System | B | 114,558 | | | | | | | | 114,558 |
| | | UB | 12,250 | 57,000 | 57,622 | | | | | | 126,872 |
| | | OG(DCLG)CD | 58,587 | | | | | | | | 58,587 |
| | Sub Total | | 185,395 | 57,000 | 57,622 | 0 | 0 | 0 | 0 | 0 | 300,017 |

RESOURCES PORTFOLIO

CAPITAL PROGRAMME

| Item No. | Description of Scheme | Identified Source of Finance | Exp. to 31 Mar 2016 | Revised Estimate for 2016/17 | Estimate for 2017/18 | Estimate for 2018/19 | Estimate for 2019/20 | Estimate for 2020 / 21 | Estimate for 2021 / 22 | Exp. in Subsequent Years | Final Cost |
|----------|--|------------------------------|---------------------|------------------------------|----------------------|----------------------|----------------------|------------------------|------------------------|--------------------------|------------------|
| 7 | Major Repairs to Corporate Property Portfolio | CorpRsv | 419,736 | 53,210 | | | | | | | 472,946 |
| | | OG(DCLG)CD | 225,024 | | | | | | | | 225,024 |
| | | CROC | 11,500 | | | | | | | | 11,500 |
| | | CRGG | 229,900 | | | | | | | | 229,900 |
| | | MTRS | 200,000 | | | | | | | | 200,000 |
| | | CMR | 65,000 | | | | | | | | 65,000 |
| | | OC | 10,000 | | | | | | | | 10,000 |
| | Sub Total | | 1,161,160 | 53,210 | 0 | 0 | 0 | 0 | 0 | 0 | 1,214,370 |
| 8 | IS Data Centre | CorpRsv | 828,746 | 37,101 | | | | | | | 865,847 |
| | | OG(DCLG)CD | 39,453 | | | | | | | | 39,453 |
| | Sub Total | | 868,199 | 37,101 | 0 | 0 | 0 | 0 | 0 | 0 | 905,300 |
| | IS Data Centre Chillers | CMR | 134,400 | | | | | | | | 134,400 |
| 10 | Transformation Programme - Customer Management | UB | 84,866 | 31,601 | | | | | | | 116,467 |
| | | OG(DCLG)CD | 68,533 | | | | | | | | 68,533 |
| | Sub Total | | 153,399 | 31,601 | 0 | 0 | 0 | 0 | 0 | 0 | 185,000 |
| 11 | IS Road Map | CorpRsv | 95,683 | 41,309 | 500,000 | | | | | | 636,992 |
| | | OG(DCLG)CD | 321,482 | | | | | | | | 321,482 |
| | | CP(DCLG)DFG | 151,400 | | | | | | | | 151,400 |
| | | CRGG | 2,320 | | | | | | | | 2,320 |
| | | CP(DFT)IT | 196,000 | | | | | | | | 196,000 |
| | | ITR | 0 | 233,176 | | | | | | | 233,176 |
| | Sub Total | | 766,885 | 274,485 | 500,000 | 0 | 0 | 0 | 0 | 0 | 1,541,370 |

RESOURCES PORTFOLIO

CAPITAL PROGRAMME

| Item No. | Description of Scheme | Identified Source of Finance | Exp. to 31 Mar 2016 | Revised Estimate for 2016/17 | Estimate for 2017/18 | Estimate for 2018/19 | Estimate for 2019/20 | Estimate for 2020 / 21 | Estimate for 2021 / 22 | Exp. in Subsequent Years | Final Cost |
|----------|---------------------------------------|------------------------------|---------------------|------------------------------|----------------------|----------------------|----------------------|------------------------|------------------------|--------------------------|------------------|
| 12 | HR Self Serve & I Expenses | OR | 137,677 | 5,740 | | | | | | | 143,417 |
| | | MTRS | 409,588 | 13,412 | | | | | | | 423,000 |
| | | OG(DCLG)CD | 96,583 | | | | | | | | 96,583 |
| | Sub Total | | 643,848 | 19,152 | 0 | 0 | 0 | 0 | 0 | 0 | 663,000 |
| 13 | Legal Case Management Software | MTRS | (2,513) | | 13,600 | | | | | | 11,087 |
| | | OG(DCLG)CD | 84,913 | | | | | | | | 84,913 |
| | Sub Total | | 82,400 | 0 | 13,600 | 0 | 0 | 0 | 0 | 0 | 96,000 |
| 14 | Guildhall Capital Works | CorpRsv | 1,081,307 | 313,264 | | | | | | | 1,394,571 |
| | | OG(DCLG)CD | 307,669 | | | | | | | | 307,669 |
| | Sub Total | | 1,388,976 | 313,264 | 0 | 0 | 0 | 0 | 0 | 0 | 1,702,240 |
| 15 | Revenue and Benefits EDMS replacement | CorpRsv | (888) | 21,780 | | | | | | | 20,892 |
| | | OG(DCLG)CD | 74,108 | | | | | | | | 74,108 |
| | Sub Total | | 73,220 | 21,780 | 0 | 0 | 0 | 0 | 0 | 0 | 95,000 |
| 16 | Call Recording System | CorpRsv | (7,734) | 0 | | | | | | | (7,734) |
| | | OG(DCLG)CD | 37,500 | | | | | | | | 37,500 |
| | Sub Total | | 29,766 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 29,766 |
| 17 | Working Anywhere | CorpRsv | 133,778 | 103,387 | | | | | | | 237,165 |
| | | OG(DCLG)CD | 67,344 | | | | | | | | 67,344 |
| | | MTRS | 47,325 | | | | | | | | 47,325 |
| | | CP(DCLG)DFG | 626,166 | | | | | | | | 626,166 |
| | Sub Total | | 874,613 | 103,387 | 0 | 0 | 0 | 0 | 0 | 0 | 978,000 |

RESOURCES PORTFOLIO

CAPITAL PROGRAMME

| Item No. | Description of Scheme | Identified Source of Finance | Exp. to 31 Mar 2016 | Revised Estimate for 2016/17 | Estimate for 2017/18 | Estimate for 2018/19 | Estimate for 2019/20 | Estimate for 2020 / 21 | Estimate for 2021 / 22 | Exp. in Subsequent Years | Final Cost |
|----------|---------------------------------------|------------------------------|---------------------|------------------------------|----------------------|----------------------|----------------------|------------------------|------------------------|--------------------------|----------------|
| 18 | Commercial Letting of Brunel Wing | CorpRsv | 310,440 | 57,728 | | | | | | | 368,168 |
| | | RCCO | 0 | 40,000 | | | | | | | 40,000 |
| | | OG(DCLG)CD | 326,286 | | | | | | | | 326,286 |
| | Sub Total | | 636,726 | 97,728 | 0 | 0 | 0 | 0 | 0 | 0 | 734,454 |
| 19 | World War 2 Memorial Guildhall Square | CorpRsv | 31,664 | (4,664) | | | | | | | 27,000 |
| | | OC | 0 | 70,000 | | | | | | | 70,000 |
| | Sub Total | | 31,664 | 65,336 | 0 | 0 | 0 | 0 | 0 | 0 | 97,000 |
| 20 | PSN CoCo Compliance | CorpRsv | 63 | 0 | 92,553 | | | | | | 92,616 |
| | | OG(DCLG)CD | 99,384 | | | | | | | | 99,384 |
| | | ITR | 30,400 | 22,600 | | | | | | | 53,000 |
| | Sub Total | | 129,847 | 22,600 | 92,553 | 0 | 0 | 0 | 0 | 0 | 245,000 |
| 21 | Replacement Emergency Generator | CP(DCSF)CM | 15,250 | | | | | | | | 15,250 |
| | | CorpRsv | 7,486 | 4,632 | | | | | | | 12,118 |
| | | OG(DCLG)CD | 162,632 | | | | | | | | 162,632 |
| | Sub Total | | 185,368 | 4,632 | 0 | 0 | 0 | 0 | 0 | 0 | 190,000 |
| 22 | Civic Office Ducting | CP(DCSF)CM | (754) | | 6,166 | | | | | | 5,412 |
| | | CorpRsv | 250 | | | | | | | | 250 |
| | | OG(DCLG)CD | 69,338 | | | | | | | | 69,338 |
| | Sub Total | | 68,834 | 0 | 6,166 | 0 | 0 | 0 | 0 | 0 | 75,000 |

RESOURCES PORTFOLIO
CAPITAL PROGRAMME

| Item No. | Description of Scheme | Identified Source of Finance | Exp. to 31 Mar 2016 | Revised Estimate for 2016/17 | Estimate for 2017/18 | Estimate for 2018/19 | Estimate for 2019/20 | Estimate for 2020 / 21 | Estimate for 2021 / 22 | Exp. in Subsequent Years | Final Cost |
|----------|--|------------------------------|---------------------|------------------------------|----------------------|----------------------|----------------------|------------------------|------------------------|--------------------------|------------------|
| 23 | Refurbishment of Data Centre Accommodation | CorpRsv | 76,346 | 545,010 | | | | | | | 621,356 |
| | | OG(DCLG)CD | 88,644 | | | | | | | | 88,644 |
| | Sub Total | | 164,990 | 545,010 | 0 | 0 | 0 | 0 | 0 | 0 | 710,000 |
| 24 | Superconnected Cities | OG | 2,914,907 | 14,405 | | | | | | | 2,929,312 |
| 25 | Guildhall Internal Works | CorpRsv | 0 | 80,000 | | | | | | | 80,000 |
| 26 | Municipal Bonds Agency | OG(DCLG)CD | 150,000 | | | | | | | | 150,000 |
| 27 | IS - Server & Database | CorpRsv | 0 | 50,000 | 150,000 | | | | | | 200,000 |
| 28 | BI Hardware & Implementation | CorpRsv | 245 | 440,400 | 269,800 | 114,000 | 25,555 | | | | 850,000 |
| 29 | EBS Hardware & Configuration | OR | 0 | 230,800 | 50,000 | | | | | | 280,800 |
| 30 | Web Phase 2 / Channel Shift | CorpRsv | 229,203 | 361,897 | 90,000 | | | | | | 681,100 |
| | | RCCO | 0 | 61,800 | | | | | | | 61,800 |
| | Sub Total | | 229,203 | 423,697 | 90,000 | 0 | 0 | 0 | 0 | 0 | 742,900 |
| 31 | Utilities' Management 2015/16 | UB | 467,541 | 612,459 | | | | | | | 1,080,000 |
| | | CMR | 0 | 26,000 | | | | | | | 26,000 |
| | Sub Total | | 467,541 | 638,459 | 0 | 0 | 0 | 0 | 0 | 0 | 1,106,000 |
| 32 | Utilities' Management 2016/17 | UBS | 0 | 250,000 | | | | | | | 250,000 |
| | | CROC | 0 | 633,000 | 350,000 | | | | | | 983,000 |
| | Sub Total | | 0 | 883,000 | 350,000 | 0 | 0 | 0 | 0 | 0 | 1,233,000 |
| 33 | Investment in Solar Photovoltaic Cells | UB | 0 | 1,950,000 | | | | | | | 1,950,000 |

RESOURCES PORTFOLIO

CAPITAL PROGRAMME

| Item No. | Description of Scheme | Identified Source of Finance | Exp. to 31 Mar 2016 | Revised Estimate for 2016/17 | Estimate for 2017/18 | Estimate for 2018/19 | Estimate for 2019/20 | Estimate for 2020 / 21 | Estimate for 2021 / 22 | Exp. in Subsequent Years | Final Cost |
|--------------------|--|------------------------------|---------------------|------------------------------|----------------------|----------------------|----------------------|------------------------|------------------------|--------------------------|-------------------|
| 34 | Council Chamber Modernisation | RCCO | 0 | | 150,000 | | | | | | 150,000 |
| 35 | Utilities and Energy Management | UB | 0 | | 515,550 | 515,550 | | | | | 1,031,100 |
| 36 | Investment in Solar PV Cells | UB | 0 | | 1,433,333 | 1,433,333 | 1,433,334 | | | | 4,300,000 |
| 37 | Landlord's Maintenance - Isambard Brunel Car Park Lift Refurbishment | PARK | 0 | | 240,000 | | | | | | 240,000 |
| Grand Total | | | 24,185,929 | 10,192,048 | 6,396,524 | 3,037,066 | 1,458,889 | 0 | 0 | 0 | 45,270,456 |

TRAFFIC AND TRANSPORTATION PORTFOLIO

CAPITAL PROGRAMME

| Item No. | Description of Scheme | Identified Source of Finance | Exp. to 31 Mar 2016 | Revised Estimate for 2016/17 | Estimate for 2017/18 | Estimate for 2018/19 | Estimate for 2019/20 | Estimate for 2020 / 21 | Estimate for 2021 / 22 | Exp. in Subsequent Years | Final Cost |
|----------|--|------------------------------|---------------------|------------------------------|----------------------|----------------------|----------------------|------------------------|------------------------|--------------------------|-------------------|
| 1 | Congestion Monitoring (ANPR) | UB | 36,181 | | | | | | | | 36,181 |
| | | GGNR(DFT)LTPIT | 109,501 | | | | | | | | 109,501 |
| | Sub Total | | 145,682 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 145,682 |
| 2 | Contribution to PFI | HwayPFI | 16,545,430 | 2,688,920 | 2,448,747 | 3,434,820 | 3,030,930 | 1,502,306 | 1,449,327 | 30,348,663 | 61,449,143 |
| | | OG(DCLG)CD | 2,772,625 | | | | | | | | 2,772,625 |
| | | EUG | (10,427) | | | | | | | | (10,427) |
| | | OG | 145,167 | | | | | | | | 145,167 |
| | | UB | 2,306,379 | | | | | | | | 2,306,379 |
| | | CP(DFT)HM | 4,057,353 | 1,311,000 | 1,383,000 | 1,151,000 | | | | | 7,902,353 |
| | Sub Total | | 25,816,527 | 3,999,920 | 3,831,747 | 4,585,820 | 3,030,930 | 1,502,306 | 1,449,327 | 30,348,663 | 74,565,240 |
| | Tipner Motorway Junction & Park & Ride | OG(DFT)Sec31 | 19,487,001 | | | | | | | | 19,487,001 |
| | | OG(DCLG)CD | 5,883,986 | | | | | | | | 5,883,986 |
| | | CorpRsv | 1,998,942 | 1,028,016 | | | | | | | 3,026,958 |
| | | S106(ST) | 226,143 | | | | | | | | 226,143 |
| | | S106(EW) | 381,412 | | | | | | | | 381,412 |
| | | PUSH(NGP) | 1,460,000 | | | | | | | | 1,460,000 |
| | | OC | 520,000 | | | | | | | | 520,000 |
| | Sub Total | | 29,690,329 | 1,295,171 | 0 | 0 | 0 | 0 | 0 | 0 | 30,985,500 |
| 4 | Northern Road Bridge | UB | 331,688 | | | | | | | | 331,688 |
| | | OC | 90,996 | (168) | | | | | | | 90,828 |
| | | GGNR(DFT)LTPIT | 529,810 | | | | | | | | 529,810 |
| | | OG(DFT)Sec31 | 10,762,124 | 195,490 | | | | | | | 10,957,614 |
| | | CP(DFT)IT | 60 | | | | | | | | 60 |
| | Sub Total | | 11,714,678 | 195,322 | 0 | 0 | 0 | 0 | 0 | 0 | 11,910,000 |

TRAFFIC AND TRANSPORTATION PORTFOLIO

CAPITAL PROGRAMME

| Item No. | Description of Scheme | Identified Source of Finance | Exp. to 31 Mar 2016 | Revised Estimate for 2016/17 | Estimate for 2017/18 | Estimate for 2018/19 | Estimate for 2019/20 | Estimate for 2020 / 21 | Estimate for 2021 / 22 | Exp. in Subsequent Years | Final Cost |
|----------|--|------------------------------|---------------------|------------------------------|----------------------|----------------------|----------------------|------------------------|------------------------|--------------------------|-------------------|
| 5 | Local Transport Plan & Road Safety 3 | UB | 0 | 70,000 | | | | | | | 70,000 |
| | | CorpRsv | 196,000 | 51,000 | | | | | | | 247,000 |
| | | S278 | 23,644 | | | | | | | | 23,644 |
| | | CP(DFT)IT | 2,646,886 | 800,000 | 1,910,614 | | | | | | 5,357,500 |
| | | S106(ST) | 446,994 | 33,973 | | | | | | | 480,967 |
| | | OG(DFT)LSTFSec31 | 3,118,870 | (319,718) | | | | | | | 2,799,152 |
| | | OG(DFT)TFSHSec31 | 1,669,778 | | | | | | | | 1,669,778 |
| | | CP(DCSF)BN | 0 | 30,000 | | | | | | | 30,000 |
| | | OG | 0 | 80,000 | | | | | | | 80,000 |
| | Sub Total | | 8,102,172 | 745,255 | 1,910,614 | 0 | 0 | 0 | 0 | 0 | 10,758,041 |
| | The Hard Public Transport Interchange | CIL | (2,805) | 2,805 | | | | | | | 0 |
| | | UB | 0 | 19,003 | 2,098 | | | | | | 21,101 |
| | | CP(DCSF)BN | 0 | 3,365,593 | | | | | | | 3,365,593 |
| | | CP(DFT)IT | 0 | 12,907 | | | | | | | 12,907 |
| | | CP(DCLG)DFG | 0 | 135,700 | | | | | | | 135,700 |
| | | OC | 2,542,800 | 2,289,200 | | | | | | | 4,832,000 |
| | | CROC | 0 | 567,092 | | | | | | | 567,092 |
| | | S106(OS) | 0 | | 345,800 | | | | | | 345,800 |
| | | PARK | 0 | | 500,000 | | | | | | 500,000 |
| | | OG(DFT)LSTFSec31 | 289,014 | 319,718 | | | | | | | 608,732 |
| | | OG(DFT)TFSHSec31 | 244,355 | | | | | | | | 244,355 |
| | | CorpRsv | 269,062 | 6,166 | 592,230 | 265,672 | | | | | 1,133,130 |
| | Sub Total | | 3,342,426 | 6,718,184 | 1,440,128 | 265,672 | 0 | 0 | 0 | 0 | 11,766,410 |
| 7 | Replace Residential Street Lighting With LED | UB | 0 | 300,000 | 2,740,000 | | | | | | 3,040,000 |
| 8 | Copnor Bridge Maintenance | CorpRsv | 21,555 | 26,445 | | | | | | | 48,000 |
| | | OC | 20,480 | | | | | | | | 20,480 |
| | Sub Total | | 42,035 | 26,445 | 0 | 0 | 0 | 0 | 0 | 0 | 68,480 |

TRAFFIC AND TRANSPORTATION PORTFOLIO

CAPITAL PROGRAMME

| Item No. | Description of Scheme | Identified Source of Finance | Exp. to 31 Mar 2016 | Revised Estimate for 2016/17 | Estimate for 2017/18 | Estimate for 2018/19 | Estimate for 2019/20 | Estimate for 2020 / 21 | Estimate for 2021 / 22 | Exp. in Subsequent Years | Final Cost |
|----------|---|------------------------------|---------------------|------------------------------|----------------------|----------------------|----------------------|------------------------|------------------------|--------------------------|------------------|
| 9 | Clean Vehicle Technology | OG | 126,171 | | | | | | | | 126,171 |
| 10 | Eastern Rd Waterbridge | CorpRsv | 0 | | 227,500 | 29,700 | | | | | 257,200 |
| | | CP(DFT)IT | 144 | 288,108 | 776,648 | | | | | | 1,064,900 |
| | | OG(DFT)Sec31 | 0 | | 377,900 | | | | | | 377,900 |
| | | OC | 71,418 | | 28,582 | | | | | | 100,000 |
| | Sub Total | | 71,562 | 288,108 | 1,410,630 | 29,700 | 0 | 0 | 0 | 0 | 1,800,000 |
| 11 | Angelsea Road Footbridge | CP(DFT)IT | 22,190 | 300,000 | 278,425 | | | | | | 600,615 |
| | | OC | 5,385 | | 20,000 | | | | | | 25,385 |
| | Sub Total | | 27,575 | 300,000 | 298,425 | 0 | 0 | 0 | 0 | 0 | 626,000 |
| | Verge Hardening | CorpRsv | 15,881 | 93,938 | | | | | | | 109,819 |
| 13 | Traffic Management Centre - System Review | PARK | 0 | 281,218 | | | | | | | 281,218 |
| 14 | Traffic Signal Upgrade Packages | CorpRsv | 0 | 200,000 | 260,700 | | | | | | 460,700 |
| | | S106(ST) | 0 | | 2,400 | | | | | | 2,400 |
| | | S106(OS) | 0 | | 10,000 | | | | | | 10,000 |
| | | CROC | 0 | | 15,900 | | | | | | 15,900 |
| | | CP(DFT)IT | 0 | | 421,000 | | | | | | 421,000 |
| | Sub Total | | 0 | 200,000 | 710,000 | 0 | 0 | 0 | 0 | 0 | 910,000 |
| 15 | Isambard Brunel Car Park Upgrade | PARK | 0 | | 50,000 | 400,000 | | | | | 450,000 |
| 16 | Seafront Variable Message Signs | CP(DFT)NPIF | 0 | | 52,000 | | | | | | 52,000 |
| | | PARK | 0 | | 23,800 | | | | | | 23,800 |
| | Sub Total | | 0 | 0 | 75,800 | 0 | 0 | 0 | 0 | 0 | 75,800 |

TRAFFIC AND TRANSPORTATION PORTFOLIO

CAPITAL PROGRAMME

| Item No. | Description of Scheme | Identified Source of Finance | Exp. to 31 Mar 2016 | Revised Estimate for 2016/17 | Estimate for 2017/18 | Estimate for 2018/19 | Estimate for 2019/20 | Estimate for 2020 / 21 | Estimate for 2021 / 22 | Exp. in Subsequent Years | Final Cost |
|--------------------|---|------------------------------|---------------------|------------------------------|----------------------|----------------------|----------------------|------------------------|------------------------|--------------------------|--------------------|
| 17 | Eastern Corridor Road Link Improvements | CP(DFT)NPIF | 0 | | 100,000 | 200,000 | 200,000 | | | | 500,000 |
| 18 | Improvements to Neighbourhood Living and Street Environment | CP(DFT)IT | 0 | | 100,000 | 100,000 | | | | | 200,000 |
| 19 | Old Portsmouth Area Study | CorpRsv | 0 | | 30,000 | 10,000 | | | | | 40,000 |
| Grand Total | | | 79,095,038 | 14,443,561 | 12,697,344 | 5,591,192 | 3,230,930 | 1,502,306 | 1,449,327 | 30,348,663 | 148,358,361 |

HOUSING PORTFOLIO (GF)

CAPITAL PROGRAMME

| Item No. | Description of Scheme | Identified Source of Finance | Exp. to 31 Mar 2016 | Revised Estimate for 2016/17 | Estimate for 2017/18 | Estimate for 2018/19 | Estimate for 2019/20 | Estimate for 2020 / 21 | Estimate for 2021 / 22 | Exp. in Subsequent Years | Final Cost |
|--------------------|--|------------------------------|---------------------|------------------------------|----------------------|----------------------|----------------------|------------------------|------------------------|--------------------------|-------------------|
| 1 | Support For Vulnerable People | CorpRsv | 1,887,492 | 469,420 | 32,765 | | | | | | 2,389,677 |
| | | CP(DCLG)DFG | 1,124,300 | | | | | | | | 1,124,300 |
| | | CP(DCSF)BN | 250,729 | | | | | | | | 250,729 |
| | | CP(DH)CG | 762,300 | | | | | | | | 762,300 |
| | | GGR(DCLG)PSR | 179,526 | | | | | | | | 179,526 |
| | | GGR(DCLG)DF | 634,100 | | | | | | | | 634,100 |
| | | OC | 1,246,206 | 186,580 | 190,744 | 195,513 | 200,400 | 205,411 | 210,545 | 200,000 | 2,635,399 |
| | | LR(HIP) | 891,082 | | 448,891 | 293,697 | 6,040 | 18,691 | 31,658 | | 1,690,059 |
| | | BCF(DFG)DCLG | 748,367 | 1,403,597 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 8,151,964 |
| | | OC | 0 | | | 200,000 | 500,000 | 500,000 | 500,000 | 500,000 | 2,200,000 |
| | | OG(DCLG)CD | 1,318,131 | | | | | | | | 1,318,131 |
| | Sub Total | | 9,042,233 | 2,059,597 | 1,672,400 | 1,689,210 | 1,706,440 | 1,724,102 | 1,742,203 | 1,700,000 | 21,336,185 |
| | Removal of Hazards & Risks Within The Home | GGR(DCLG)PSR | 372,963 | | | | | | | | 372,963 |
| | | LR(HIP) | 1,263,661 | 333,509 | 341,847 | 150,393 | 359,153 | 368,132 | 377,335 | 350,000 | 3,544,030 |
| | | CorpRsv | 0 | | | 200,000 | | | | | 200,000 |
| | Sub Total | | 1,636,624 | 333,509 | 341,847 | 350,393 | 359,153 | 368,132 | 377,335 | 350,000 | 4,116,993 |
| 3 | Grants to Registered Social Landlords | S106(Hsg) | 97,000 | 450,000 | | | | | | | 547,000 |
| | | CorpRsv | 1,994 | | | | | | | | 1,994 |
| | | LR(HIP) | 162,000 | | | | | | | | 162,000 |
| | Sub Total | | 260,994 | 450,000 | 0 | 0 | 0 | 0 | 0 | 0 | 710,994 |
| 4 | Green Deal Communities | OG | 559,679 | | | | | | | | 559,679 |
| Grand Total | | | 11,499,530 | 2,843,106 | 2,014,247 | 2,039,603 | 2,065,593 | 2,092,234 | 2,119,538 | 2,050,000 | 26,723,851 |

HOUSING PORTFOLIO (HRA)

CAPITAL PROGRAMME

| Item No. | Description of Scheme | Identified Source of Finance | Exp. to 31 Mar 2016 | Revised Estimate for 2016/17 | Estimate for 2017/18 | Estimate for 2018/19 | Estimate for 2019/20 | Estimate for 2020 / 21 | Estimate for 2021 / 22 | Exp. in Subsequent Years | Final Cost |
|----------|-------------------------------|------------------------------|---------------------|------------------------------|----------------------|----------------------|----------------------|------------------------|------------------------|--------------------------|--------------------|
| 1 | Somerstown Hub | B(HRA) | 75,979 | | | | | | | | 75,979 |
| | | CorpRsv | 947,080 | | | | | | | | 947,080 |
| | | OG(DCLG)CD | 2,024,500 | | | | | | | | 2,024,500 |
| | | PUSH | 1,639,411 | | | | | | | | 1,639,411 |
| | | RCCO(HRA) | 5,389,168 | | | | | | | | 5,389,168 |
| | | UB(HRA) | 2,541,431 | | | | | | | | 2,541,431 |
| | Sub Total | | 12,617,569 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 12,617,569 |
| 2 | Old London Road | RCCO(HRA) | 556,349 | | | | | | | | 556,349 |
| | | CRec(HRA) | 90,356 | | | | | | | | 90,356 |
| | Sub Total | | 646,705 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 646,705 |
| 3 | HRA Assets (Non Dwelling) | B(HRA) | 3,714,358 | | | | | | | | 3,714,358 |
| | | CorpRsv | 0 | | 300,000 | | | | | | 300,000 |
| | | RCCO(HRA) | 9,547,518 | 511,658 | 215,000 | 215,000 | 215,000 | 215,000 | 215,000 | 215,000 | 11,349,176 |
| | | OC | 81,368 | | | | | | | | 81,368 |
| | | UB(HRA) | 246,614 | | | | | | | | 246,614 |
| | | OG(DFT)LSTFSec31 | 30,000 | | | | | | | | 30,000 |
| | Sub Total | | 13,619,858 | 511,658 | 515,000 | 215,000 | 215,000 | 215,000 | 215,000 | 215,000 | 15,721,516 |
| 4 | Total Major Repairs Dwellings | B(HRA) | 134,210 | | | | | | | | 134,210 |
| | | OC | 3,589,798 | 407,500 | 400,000 | 400,000 | 400,000 | 400,000 | 400,000 | 400,000 | 6,397,298 |
| | | RCCO(HRA) | 82,511,855 | 20,210,491 | 16,910,836 | 17,529,899 | 17,704,051 | 19,446,556 | 20,806,555 | 21,284,256 | 216,404,499 |
| | | OG | 1,054,584 | | | | | | | | 1,054,584 |
| | | UB(HRA) | 11,841,361 | | | | | | | | 11,841,361 |
| | | CRec(HRA) | 290,822 | | | | | | | | 290,822 |
| | | CorpRsv | 85,000 | | | | | | | | 85,000 |
| | Sub Total | | 99,507,630 | 20,617,991 | 17,310,836 | 17,929,899 | 18,104,051 | 19,846,556 | 21,206,555 | 21,684,256 | 236,207,774 |

HOUSING PORTFOLIO (HRA)

CAPITAL PROGRAMME

| Item No. | Description of Scheme | Identified Source of Finance | Exp. to 31 Mar 2016 | Revised Estimate for 2016/17 | Estimate for 2017/18 | Estimate for 2018/19 | Estimate for 2019/20 | Estimate for 2020 / 21 | Estimate for 2021 / 22 | Exp. in Subsequent Years | Final Cost |
|----------|------------------------------|------------------------------|---------------------|------------------------------|----------------------|----------------------|----------------------|------------------------|------------------------|--------------------------|------------------|
| 5 | King William Street | UB(HRA) | 0 | 73,278 | 95,710 | | | | | | 168,988 |
| | | CRec(HRA) | 75,814 | | | | | | | | 75,814 |
| | | OCRec(HRA) | 203,428 | 376,735 | | | | | | | 580,163 |
| | | S106(Hsg) | 0 | 7,000 | | | | | | | 7,000 |
| | | OC | 0 | 7,500 | | | | | | | 7,500 |
| | | OG | 0 | 325,000 | | | | | | | 325,000 |
| | Sub Total | | 279,242 | 789,513 | 95,710 | 0 | 0 | 0 | 0 | 0 | 1,164,465 |
| 6 | Southsea Community Centre | UB(HRA) | 0 | 420,000 | 1,459,155 | | | | | | 1,879,155 |
| | | CRec(HRA) | 99,837 | 180,000 | 625,352 | | | | | | 905,189 |
| | | RCCO(HRA) | 641 | | | | | | | | 641 |
| | | OCRec(HRA) | 94,982 | | | | | | | | 94,982 |
| | | | Sub Total | | 195,460 | 600,000 | 2,084,507 | 0 | 0 | 0 | 0 |
| 7 | Plot 2 Wellington Street | CRec(HRA) | 219,517 | 676,299 | 26,836 | | | | | | 922,652 |
| | | RCCO(HRA) | 7,445 | | | | | | | | 7,445 |
| | | OCRec(HRA) | 443,668 | 1,578,032 | 62,617 | | | | | | 2,084,317 |
| | | | Sub Total | | 670,630 | 2,254,331 | 89,453 | 0 | 0 | 0 | 0 |
| 8 | Arthur Pope House | UB(HRA) | 0 | | 3,341,912 | | 131,173 | | | | 3,473,085 |
| | | CRec(HRA) | 77,101 | 240,000 | 2,100,000 | 145,500 | 56,217 | | | | 2,618,818 |
| | | RCCO(HRA) | 1,732 | | | | | | | | 1,732 |
| | | OCRec(HRA) | 467,787 | 560,000 | 1,558,088 | 339,500 | | | | | 2,925,375 |
| | | | Sub Total | | 546,620 | 800,000 | 7,000,000 | 485,000 | 187,390 | 0 | 0 |
| 9 | Development Internal Charges | UB(HRA) | 0 | | 50,000 | | 50,000 | 50,000 | | | 150,000 |
| | | CRec(HRA) | 56,889 | | | | | | | | 56,889 |
| | | OCRec(HRA) | 198,648 | 50,000 | | 50,000 | | | 50,000 | 50,000 | 398,648 |
| | Sub Total | | 255,537 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 605,537 |

HOUSING PORTFOLIO (HRA)

CAPITAL PROGRAMME

| Item No. | Description of Scheme | Identified Source of Finance | Exp. to 31 Mar 2016 | Revised Estimate for 2016/17 | Estimate for 2017/18 | Estimate for 2018/19 | Estimate for 2019/20 | Estimate for 2020 / 21 | Estimate for 2021 / 22 | Exp. in Subsequent Years | Final Cost |
|----------|-----------------------|------------------------------|---------------------|------------------------------|----------------------|----------------------|----------------------|------------------------|------------------------|--------------------------|------------------|
| 10 | Hambrook Street | UB(HRA) | 0 | | | | | | | | 0 |
| | | CRec(HRA) | 4,950 | | | | | | | | 4,950 |
| | Sub Total | | 4,950 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4,950 |
| 11 | Kingsclere Avenue | UB(HRA) | 0 | 1,978,371 | 5,750,000 | | | | | | 7,728,371 |
| | | OCRec(HRA) | 45,663 | | | 235,818 | | | | | 281,481 |
| | Sub Total | | 45,663 | 1,978,371 | 5,750,000 | 235,818 | 0 | 0 | 0 | 0 | 8,009,852 |
| 12 | Blendworth Crescent | UB(HRA) | 0 | 2,500,000 | 5,451,641 | | | | | | 7,951,641 |
| | | OCRec(HRA) | 182,622 | | | 250,000 | | | | | 432,622 |
| | Sub Total | | 182,622 | 2,500,000 | 5,451,641 | 250,000 | 0 | 0 | 0 | 0 | 8,384,263 |
| 13 | Nessus Street | UB(HRA) | 0 | 12,000 | 228,061 | | | | | | 240,061 |
| | | OCRec(HRA) | 67,649 | | | 37,890 | | | | | 105,539 |
| | | OG | 0 | 954,311 | 215,669 | | | | | | 1,169,980 |
| | Sub Total | | 67,649 | 966,311 | 443,730 | 37,890 | 0 | 0 | 0 | 0 | 1,515,580 |
| 14 | Holybourne Road | UB(HRA) | 0 | 885,000 | 900,000 | 53,271 | | | | | 1,838,271 |
| | | CRec(HRA) | 45,291 | | | | | | | | 45,291 |
| | | OCRec(HRA) | 0 | | | 5,792 | | | | | 5,792 |
| | Sub Total | | 45,291 | 885,000 | 900,000 | 59,063 | 0 | 0 | 0 | 0 | 1,889,354 |
| 15 | Longdean | UB(HRA) | 0 | | | | | 2,415,673 | | | 2,415,673 |
| | | CRec(HRA) | 0 | | | | 441,000 | 1,140,000 | | | 1,581,000 |
| | | OCRec(HRA) | 0 | | | | 1,029,000 | 244,327 | | | 1,273,327 |
| | Sub Total | | 0 | 0 | 0 | 0 | 1,470,000 | 3,800,000 | 0 | 0 | 5,270,000 |

HOUSING PORTFOLIO (HRA)

CAPITAL PROGRAMME

| Item No. | Description of Scheme | Identified Source of Finance | Exp. to 31 Mar 2016 | Revised Estimate for 2016/17 | Estimate for 2017/18 | Estimate for 2018/19 | Estimate for 2019/20 | Estimate for 2020 / 21 | Estimate for 2021 / 22 | Exp. in Subsequent Years | Final Cost |
|--------------------|--|------------------------------|---------------------|------------------------------|----------------------|----------------------|----------------------|------------------------|------------------------|--------------------------|--------------------|
| 16 | Highgrove House | UB(HRA) | 0 | | | | 104,000 | 778,827 | | | 882,827 |
| | | CRec(HRA) | 0 | | | | 75,000 | 700,500 | | | 775,500 |
| | | OCRec(HRA) | 0 | | | | 71,000 | 855,673 | | | 926,673 |
| | Sub Total | | 0 | 0 | 0 | 0 | 250,000 | 2,335,000 | 0 | 0 | 2,585,000 |
| 17 | Green & Clean Rest Areas | OCRec(HRA) | 0 | 67,000 | | | | | | | 67,000 |
| 18 | Eastern Rd New Properties | S106(Hsg) | 0 | | | | | | | | 0 |
| | | UB(HRA) | 0 | 53,000 | 1,589,000 | | | | | | 1,642,000 |
| | | OG | 0 | 402,000 | | | | | | | 402,000 |
| | | OCRec(HRA) | 0 | | | 81,000 | | | | | 81,000 |
| | Sub Total | | 3,690 | 451,310 | 1,589,000 | 81,000 | 0 | 0 | 0 | 0 | 2,125,000 |
| 19 | Doyle Avenue New Build Properties | OCRec(HRA) | 0 | 15,000 | | | | | | | 15,000 |
| 20 | Replacement Homes | CRec(HRA) | 0 | 405,000 | 300,000 | 300,000 | 300,000 | 300,000 | 300,000 | 300,000 | 2,205,000 |
| | | OCRec(HRA) | 0 | 700,000 | | 700,000 | 700,000 | 700,000 | 700,000 | 700,000 | 4,200,000 |
| | | UB(HRA) | 0 | 245,000 | 700,000 | | | | | | 945,000 |
| | Sub Total | | 0 | 1,350,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 7,350,000 |
| 21 | Phase 1: Refresh of the Allaway Ave Green and Surrounding Planting | CorpRsv | 0 | | 16,600 | | | | | | 16,600 |
| 22 | Hillside Youth & Community Centre - Outdoor Play | CorpRsv | 0 | | 41,500 | 124,500 | | | | | 166,000 |
| Grand Total | | | 128,689,116 | 33,836,485 | 42,337,977 | 20,468,170 | 21,276,441 | 27,246,556 | 22,471,555 | 22,949,256 | 319,275,556 |

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NEW SCHEMES STARTING IN 2017/18

CAPITAL PROGRAMME

| Description of Scheme | Scheme Details | Council Contribution/ Borrowing £ | Total Capital Cost £ | Revenue Cost/ (Saving) £ |
|---|---|--|----------------------------|-----------------------------------|
| Education | | | | |
| Sufficiency of Secondary School Places | This bid is to provide additional Secondary School places in order to meet the future demand for places in 2019/20. Over the next few years, further capital allocations will be required to meet the increasing demand for secondary places. | 2,670,000 | 4,470,000 | |
| Future Secondary School Places | This bid is for the provision of further additional secondary school places in order to meet the future demand for secondary school places. Over the next few years, further capital allocations will be required to meet the increasing demand for secondary school places and detailed design work will be progressed to prepare a detailed plan to address the longer term secondary school place requirement. | 1,000,000 | 1,000,000 | |
| School Condition Projects | Addresses urgent school condition issues (Priority 1: Urgent Repairs that require remedy within the next 1 -2 years); identified as priority items raised via the Asset Management Plan; priority items raised in the school condition surveys; and other statutory items recommended as a priority by Property & Housing Services. | 1,000,000 | 1,100,000 | |
| Children's Safeguarding | | | | |
| Children's Case Management Software Replacement | To procure a new case management system for Children's Social Care that provides flexible and efficient record management and reporting requirements and meets both service and inspection needs. The new system will support new ways of working and Social Work Matters developments. The current system will be de-supported by the software provider from 2020. | 1,907,000 | 1,907,000 | (10,000) |
| Tangier Road Children's Home | In its current form, the plot and building make a poor use of space and resources. The scheme aims to maximise the site's potential and place staff and managers within the main working environment, as well as freeing up valuable space within the lodge that can be converted into residential use. | 495,000 | 495,000 | |
| Beechside Children's Home | Improvements to the Beechside Children's home to improve the overall experience of children living at the home. | 55,000 | 55,000 | |

NEW SCHEMES STARTING IN 2017/18

CAPITAL PROGRAMME

| Description of Scheme | Scheme Details | Council Contribution/ Borrowing £ | Total Capital Cost £ | Revenue Cost/ (Saving) £ |
|--|---|--|----------------------------|-----------------------------------|
| Culture, Leisure and Sport | | | | |
| Kings Bastion | The site is listed under the Ancient Monument and Archaeological Areas Act, the fortifications include Kings Bastion, Long Curtain Moat and Saluting Battery. To preserve the structures a programme of repair and conservation is required. There are numerous areas of concern and large areas of eroded pointing. | 525,000 | 600,000 | |
| Charles Dickens' Gardens | The boundary wall to Charles Dickens Garden, adjacent to Victoria Street is constructed in brickwork . A structural survey has been undertaken which has identified full height vertical cracks. The lean of the wall measured is becoming unsafe and is also substantially higher than recommended. Sections of the boundary wall will be demolished and rebuilt as appropriate. | 25,000 | 25,000 | |
| D Day Museum | The D Day museum requires works to its pitched and flat roofs, external brick walls and timber doors | 165,000 | 165,000 | |
| Contribution towards Resurfacing South Parade Pier | Works are required to provide full visitor access to the exterior of the pier that will permit the pier buildings to be refurbished and opened to the public. (Contribution subject to the negotiation of a public access agreement or other community benefit) | 50,000 | 75,000 | |
| Installation of shower facilities at Canoe Lake | Installation of a free-standing shower unit adjacent to the toilet blocks at Canoe lake. The shower will be free standing on a purpose built and drained hard-standing, with a low-level railing surround. | 10,000 | 10,000 | 600 |
| Watersedge Park Building | To demolish the old pre-fabricated Watersedge Park Building, grass the area and adjust the fence line. This will open up the park and create a more pleasant amenity space, with potential for improvements to the play space at a later date. The southern hedge boundary will be reduced in height, making the green space more visible from Southampton Road. | 20,000 | 20,000 | (2,300) |
| Edwardian Seafront Shelter | Restoration of an Edwardian cast iron shelter on Southsea Seafront | 70,000 | 80,000 | |
| Re-provision of Bandstand at West Battery Gardens | Re-provisioning of the Bandstand at West Battery Gardens that addresses Health & Safety concerns following the increased popularity of the free concert programme. | 40,000 | 40,000 | |

NEW SCHEMES STARTING IN 2017/18

CAPITAL PROGRAMME

| Description of Scheme | Scheme Details | Council Contribution/ Borrowing £ | Total Capital Cost £ | Revenue Cost/ (Saving) £ |
|---|---|---|-------------------------|--------------------------------|
| Pop Up Kiosks - Southsea Seafront | To allow for the purchase of between 6 - 8 small kiosks to enable a series of 'pop-ups' to be leased to diverse Small Medium Enterprises businesses along the Seafront to enhance and support the resident and visitor offer. | 40,000 | 40,000 | |
| Environment and Community Safety | | | | |
| Household Waste Collection | Extension of a trial providing households with wheelie bins for their rubbish, previously placed in black sacks. The trial will extend to four parts of the city, following on from a successful pilot in the Highbury area of Cosham. Circa 6,500 homes will have new wheelie bins for their rubbish. The trial will also include placing new lifting equipment on a waste collection vehicle. | 111,200 | 111,200 | (42,800) |
| Old Portsmouth Seawalls' Maintenance | Maintenance of Grade 1 and Grade 2 Heritage structures at Old Portsmouth. The work will focus on the seaward side. The area to be maintained includes the Saluting Platform, Ten Gun Battery, St James Gate and the Hotwalls. | 120,000 | 120,000 | |
| Southsea Coastal Flood Defence Contribution | This scheme is for flood defence refurbishment to protect Portsmouth's waterfront sites across Old Portsmouth, Southsea and Eastney and to protect business and employment in the local and surrounding areas. It will also make Portsmouth's seafront more attractive and support Portsmouth as a world class destination, a great place to live and encourage increased entrepreneurial activities. | 1,250,000 | 88,602,400 | |
| Health and Social Care | | | | |
| SWIFT Software Replacement | This project will replace the existing Adult Social Care case management and assessment software with a new web-based system integrated with the National Health Service. | 400,000 | 1,163,000 | (100,000) |
| Housing & Property | | | | |
| Phase 1: Refresh of the Allaway Avenue Green and Surrounding Planting | This will allow for improvement to the green on Allaway avenue and for a refresh of the Allaway Avenue park | 16,600 | 16,600 | |
| Hillside Youth & Community Centre - Outdoor Play | To provide a new Ball Court and kick about area, landscaping, workshop for the bike project and seating area. | 166,000 | 166,000 | |

NEW SCHEMES STARTING IN 2017/18

CAPITAL PROGRAMME

| Description of Scheme | Scheme Details | Council Contribution/ Borrowing £ | Total Capital Cost £ | Revenue Cost/ (Saving) £ |
|---|---|---|-------------------------|--------------------------------|
| PRED | | | | |
| City Centre Road | <p>Additional match funding to an existing scheme that will fundamentally re-design the City's most strategic access route into the City Centre and beyond to the Naval Dockyard. It strengthens network connectivity both North to the "City Deal" development sites at Tipner and Horsea Island as well as South to Gunwharf (retail and leisure centre), the Historic Dockyard and the Seafront.</p> <p>The proposed new road layout stretches from the bottom of the M275 to Unicorn Gate serving the western corridor.</p> | 3,000,000 | 45,000,000 | |
| Renovation of Victoria Park Lodge | The renovation of Victoria Park lodge will include remedial works to the lodge; updating the on-site facilities; fitting out and equipping the kitchen, and modifications to internal decorations, fixtures and fittings. In the future, the facilities will be used to provide employment and training support services for those with learning difficulties. | 100,000 | 100,000 | |
| Public Realm Improvements - Chaucer House | This scheme improves the public realm around the former Chaucer House site, which is currently being redeveloped. | 594,000 | 594,000 | |
| Pottrsmouth Area Rape Crisis Service - Building Maintenance | To provide a capital grant to the current lessee in exchange for the surrender and renewal of the current lease. The new lease will transfer repair responsibility of the building to the current tenant. | 50,000 | 50,000 | |
| Resources | | | | |
| Landlord's Maintenance | Housing and Property Services have landlord maintenance responsibility for over 2,000 operational assets. Detailed surveys are carried out and updated annually, to ensure that the maintenance needs of all assets are recognised and planned for within a medium term maintenance programme. Remediation requirements are categorised according to their severity and impact. Only works classified as being of the highest priority will proceed. | 591,000 | 831,000 | |
| Traffic and Transportation | | | | |
| Seafront Variable Message Signs | Installation of Variable Message Signs (VMS) along the seafront replacing existing redundant VMS signs while introducing new signs that compliment the Council's Seafront and Parking Strategies. | 52,000 | 75,800 | 1,000 |

NEW SCHEMES STARTING IN 2017/18

CAPITAL PROGRAMME

| Description of Scheme | Scheme Details | Council Contribution/ Borrowing £ | Total Capital Cost £ | Revenue Cost/ (Saving) £ |
|--|--|---|-------------------------|--------------------------------|
| Eastern Corridor Road Link Improvements | Improvements to the Eastern Corridor Road Link that will deliver sustainable transport choices; improved air quality; reduced noise; reduced travel time and congestion. The Council will collaborate with Highways England to complement any planned work for the A27. | 500,000 | 500,000 | |
| Improvements to Neighbourhood Living and Street Environment | Funding to enable the construction of neighbourhood and street improvements resulting in better use of 'fence to fence' space and improved access arrangements for pedestrians, cyclists and motor vehicles across the city. | 200,000 | 200,000 | |
| Local Transport Plan | The Local Transport Plan (LTP) is proactive planning in advance of the City centre development and City centre road plans. The bid will be used to finance a programme of capital schemes that contribute towards our Corporate Priorities and a range of transport objectives including the promotion of sustainable transport. | 1,200,000 | 1,200,000 | |
| Old Portsmouth Area Study | The Old Portsmouth Area Wide Review is a detailed review of traffic and transportation issues in the Old Portsmouth area, with the aim of identifying the key concerns and deliverable interventions to address them. | 40,000 | 40,000 | |
| Total of New Schemes Starting in 2017/18 Relying on Available Corporate Resource: | | 16,462,800 | 148,852,000 | (153,500) |

Schemes to be approved in principle and funded from borrowing but only if supported by a satisfactory financial appraisal which demonstrates that any borrowing costs can be met from additional savings and that the appraisal is approved by the Council's S.151 Officer. (Revenue is net of borrowing costs)

Resources

| | | | | |
|---|---|------------------|------------------|------------------|
| Utilities and Energy Management | The bid identifies engineering works which will enable Property and Housing Services to improve utility/energy management and reduce energy use by c£145,000 per annum. It is also estimated that the City Council's carbon footprint will reduce and lead to savings of £1,500 per annum from the Carbon Reduction Commitment. | 1,031,100 | 1,031,100 | (146,500) |
| Investment in Solar Photovoltaic Cells | Installation of solar technology at various PCC owned properties to generate a sustainable income for the Council over the next 20 years from the Feed in Tariff subsidy, sale of power and savings on buildings' power consumption. | 3,400,000 | 3,400,000 | (260,000) |
| Total of New Schemes Starting in 2017/18 Relying on Prudential Borrowing | | 4,431,100 | 4,431,100 | (406,500) |

NEW SCHEMES STARTING IN 2017/18

CAPITAL PROGRAMME

| Description of Scheme | Scheme Details | Council Contribution/ Borrowing £ | Total Capital Cost £ | Revenue Cost/ (Saving) £ |
|---|--|--|----------------------------|-----------------------------------|
| Schemes being wholly or partially funded from Reserves | | | | |
| Culture, Leisure and Sport | | | | |
| Southsea Library - Modification of Café, Children's Area & External Doors | Replacement of automatic main entrance doors and control gear, as well as internal alterations within Southsea library relocating both the café and children's library areas. To be wholly funded from the 'Portfolio Reserve' | 70,000 | 70,000 | |
| Health and Social Care | | | | |
| Assistive Technology | There is potential to improve and rationalise the social care support supplied to residents with a social care need by the enhanced use of Assistive Technology. This project would introduce this technology to over 750 people. To be wholly funded from the 'Prevention (Public Health) Reserve' | 300,000 | 300,000 | |
| Resources | | | | |
| Landlord's Maintenance - Isambard Brunel Car Park Lift Refurbishment | Refurbishment of 2 lifts within Isambard Brunel Car Park To be wholly funded from the 'Parking Reserve' | 240,000 | 240,000 | |
| Traffic and Transportation | | | | |
| Seafront Variable Message Signs | Installation of Variable Message Signs (VMS) along the seafront replacing existing redundant VMS signs while introducing new ones that fit in with the Council's Seafront and Parking Strategies. To be partially funded from the 'Parking Reserve' | 23,800 | 75,800 | 1,000 |
| Total of New Schemes Starting in 2017/18 Relying on Reserves | | 633,800 | 685,800 | 1,000 |

PRUDENTIAL INDICATORS

Details of the Capital Programme are contained in Appendix 1

| Ratio of Financing Costs to Net Revenue Stream | | | | | | | |
|--|-------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | 2015/16 Actual | 2016/17 Estimate | 2017/18 Estimate | 2018/19 Estimate | 2019/20 Estimate | 2020/21 Estimate | 2021/22 Estimate |
| Non - HRA | 11.9% | 11.0% | 12.0% | 11.6% | 11.9% | 12.7% | 13.0% |
| HRA | 13.1% | 12.0% | 12.6% | 13.1% | 13.0% | 12.6% | 12.3% |

| Capital Financing Requirement | | | | | | | |
|-------------------------------|-----------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 2015/16 Actual £'000s | 2016/17 Estimate £'000s | 2017/18 Estimate £'000s | 2018/19 Estimate £'000s | 2019/20 Estimate £'000s | 2020/21 Estimate £'000s | 2021/22 Estimate £'000s |
| Non - HRA | 280,516 | 326,083 | 401,622 | 408,084 | 409,468 | 408,928 | 402,028 |
| HRA | 154,734 | 168,865 | 170,804 | 167,850 | 164,896 | 161,942 | 158,988 |

| HRA Limit on Indebtedness | | | | | | | |
|---------------------------|-----------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 2015/16 Actual £'000s | 2016/17 Estimate £'000s | 2017/18 Estimate £'000s | 2018/19 Estimate £'000s | 2019/20 Estimate £'000s | 2020/21 Estimate £'000s | 2021/22 Estimate £'000s |
| HRA | 181,701 | 181,701 | 181,701 | 181,701 | 181,701 | 181,701 | 181,701 |

| Authorised Limit for External Debt | | | | | | | |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 2015/16 Estimate £'000s | 2016/17 Estimate £'000s | 2017/18 Estimate £'000s | 2018/19 Estimate £'000s | 2019/20 Estimate £'000s | 2020/21 Estimate £'000s | 2021/22 Estimate £'000s |
| Borrowing | 418,861 | 536,633 | 530,222 | 523,811 | 522,449 | 526,888 | 530,324 |
| Other Long Term Liabilities (ie Credit Arrangements) | 84,388 | 81,167 | 77,333 | 74,639 | 71,133 | 65,478 | 58,908 |
| Total | 503,249 | 617,800 | 607,555 | 598,450 | 593,582 | 592,365 | 589,231 |

PRUDENTIAL INDICATORS

| Operational Boundary for External Debt | | | | | | | |
|--|-----------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 2015/16 Actual £'000s | 2016/17 Estimate £'000s | 2017/18 Estimate £'000s | 2018/19 Estimate £'000s | 2019/20 Estimate £'000s | 2020/21 Estimate £'000s | 2021/22 Estimate £'000s |
| Borrowing | 399,129 | 518,333 | 511,922 | 505,511 | 504,801 | 508,887 | 511,962 |
| Other Long Term Liabilities (ie Credit Arrangements) | 84,388 | 81,167 | 77,333 | 74,639 | 71,133 | 65,478 | 58,908 |
| Total | 483,517 | 599,500 | 589,255 | 580,150 | 575,934 | 574,364 | 570,870 |

| Incremental Impact of Capital Investment Decisions on the Council Tax | | | | | | | |
|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|--|
| | 2016/17 Estimate £'000s | 2017/18 Estimate £'000s | 2018/19 Estimate £'000s | 2019/20 Estimate £'000s | 2020/21 Estimate £'000s | 2021/22 Estimate £'000s | |
| Revenue effect of existing capital programme | 869 | 3,854 | 5,919 | 5,932 | 6,106 | 6,188 | |
| Revenue effect of proposed capital programme | 869 | 3,798 | 5,784 | 5,750 | 5,922 | 6,003 | |
| Increase in revenue effect | 0 | (56) | (134) | (182) | (184) | (184) | |
| Increase in Council Tax Band D | £0.00 | (£1.01) | (£2.43) | (£3.29) | (£3.33) | (£3.33) | |

| Incremental Impact of Capital Investment Decisions on Housing Rents | | | | | | | |
|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|--|
| | 2016/17 Estimate £'000s | 2017/18 Estimate £'000s | 2018/19 Estimate £'000s | 2019/20 Estimate £'000s | 2020/21 Estimate £'000s | 2021/22 Estimate £'000s | |
| Revenue effect of existing capital programme | 754 | 670 | 954 | 967 | 1,041 | 1,096 | |
| Revenue effect of proposed capital programme | 89 | 463 | 747 | 752 | 812 | 867 | |
| Increase in revenue effect | (665) | (207) | (207) | (215) | (229) | (229) | |
| Effect on average weekly rent | (£0.85) | (£0.27) | (£0.27) | (£0.28) | (£0.30) | (£0.30) | |

From CABINET MEETING held on 9 February 2017

Council Agenda Item 9 (Cabinet minute 8)

Capital Programme 2016/17 to 2021/22

RECOMMENDED

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

- 1) The Revised Capital Programme 2016/17 to 2021/22 attached as Appendix 1 which includes all additions, deletions and amendments for slippage and rephrasing described in Sections 6 and 8 be approved
- 2) The S.151 Officer be given delegated authority to determine how each source of finance is used to fund the overall Capital Programme and to alter the overall mix of financing, as necessary, to maximise the flexibility of capital resources used and minimise the ongoing costs of borrowing to the Council
- 3) That the S.151 Officer in consultation with the Leader of the Council be given delegated authority to release capital resources held back for any contingent items that might arise, and also for any match funding requirements that may be required of the City Council in order to secure additional external capital funding (e.g. bids for funding from Government or the Solent Local Enterprise Partnership)
- 4) The following schemes as described in Section 9 and Appendix 2 be reflected within the recommended Capital Programme 2016/17 to 2021/22 and be financed from the available corporate capital resources:

| Recommended New Capital Schemes | | Corporate Resources Required £ | Total Scheme Value £ |
|--|--|---|-----------------------------|
| Education | | | |
| | Sufficiency of Secondary School Places | 2,670,000 | 4,470,000 |
| | Future Secondary School Places | 1,000,000 | 1,000,000 |
| | School Condition Projects | 1,000,000 | 1,100,000 |
| Children's Safeguarding | | | |
| | Children's Case Management Software Replacement | 1,907,000 | 1,907,000 |
| | Tangier Road Children's Home | 495,000 | 495,000 |
| | Beechside Children's Home | 55,000 | 55,000 |
| Culture, Leisure & Sport | | | |
| | Kings Bastion | 525,000 | 600,000 |
| | Charles Dickens' Gardens | 25,000 | 25,000 |
| | D Day Museum | 165,000 | 165,000 |
| | Contribution Towards Resurfacing South Parade Pier | 50,000 | 75,000 |
| | Installation of Shower Facilities at Canoe Lake | 10,000 | 10,000 |

| Recommended New Capital Schemes | | Corporate Resources Required £ | Total Scheme Value £ |
|---|---|---|-----------------------------|
| | Watersedge Park Building | 20,000 | 20,000 |
| | Edwardian Seafront Shelter | 70,000 | 80,000 |
| | Re-provision of Bandstand at West Battery Gardens | 40,000 | 40,000 |
| | Pop Up Kiosks - Southsea Seafront | 40,000 | 40,000 |
| Environment & Community Safety | | | |
| | Household Waste Collections | 111,200 | 111,200 |
| | Old Portsmouth Seawalls' Maintenance | 120,000 | 120,000 |
| | Southsea Sea Defences | 1,250,000 | 88,602,400 |
| Health & Social Care | | | |
| | Swift Software Replacement | 400,000 | 1,163,000 |
| Housing | | | |
| | Phase 1: Refresh of the Allaway Avenue Green and Surrounding Planting | 16,600 | 16,600 |
| | Hillside Youth & Community Centre - Outdoor Play | 166,000 | 166,000 |
| PRED | | | |
| | City Centre Road | 3,000,000 | 45,000,000 |
| | Renovation of Victoria Park Lodge | 100,000 | 100,000 |
| | Public Realm Improvements - Chaucer House | 594,000 | 594,000 |
| | Portsmouth Area Rape Crisis Service - Building Maintenance | 50,000 | 50,000 |
| Resources | | | |
| | Landlord's Maintenance | 591,000 | 831,000 |
| Traffic & Transportation | | | |
| | Seafront Variable Message Signs | 52,000 | 75,800 |
| | Eastern Corridor Road Link Improvements | 500,000 | 500,000 |
| | Improvements to Neighbourhood Living & Street Environment | 200,000 | 200,000 |
| | Local Transport Plan | 1,200,000 | 1,200,000 |
| | Old Portsmouth Area Study | 40,000 | 40,000 |
| Total Recommended Sum To Be Approved | | 16,462,800 | 148,852,000 |

- 5) The following schemes as described in Section 10 and Appendix 2 be approved as Invest To Save Schemes and funded from Prudential Borrowing (subject to the approval of a detailed financial appraisal by the S.151 Officer) up to the limit shown:

| | Prudential Borrowing Required £ |
|---|--|
| Utilities and Energy Management | 1,031,100 |
| Investment in Solar Photovoltaic Cells | 3,400,000 |
| Total Recommended Sum to be Approved | 4,431,100 |

- 6) The following Schemes as described in Section 15 be included within the “Reserve List” of Capital Schemes to be considered once additional capital resources are identified

| Future Priority Capital Schemes – Not in Priority Order |
|--|
| Secondary School Places 2019/20 to 2021/22 |
| Special Educational Needs Re-modelling |
| School Condition (roofs, boilers, electrics, windows etc.) |
| Sea Defences Contribution to £89m Scheme |
| Enabling Transport Infrastructure match funding - City development |
| Landlords Repairs & Maintenance |
| Local Transport Plan - Road safety and traffic improvement schemes |

- 7) The Prudential Indicators described in Section 16 and set out in Appendix 3 be approved.
- (2) That the following be noted in respect of the Council's Capital Programme:
- 1) That the capital resources proposed to be allocated include £3.5m of funding from Revenue as recommended in the "Budget and Council Tax 2017/18 & Medium Term Budget Forecast 2018/19 to 2020/21" report contained elsewhere on this agenda. In the event that this funding is not approved, schemes with Corporate Capital Resources amounting to £3.5m will be required to be removed from the new schemes starting in 2017/18 detailed in Appendix 2
 - 2) The passported Capital Allocations (Ring-fenced Grants) as set out in Section 7
 - 3) As outlined in Section 12 and Appendix 2, the use of The Parking Reserve to fund the refurbishment of lifts at Isambard Brunel Car Park at a cost of £240,000; and a contribution of £23,800 towards the cost of installing Variable Message Signs along Southsea Seafront
 - 4) As outlined in Section 13 and Appendix 2, the release of £70,000 from the Culture, Leisure & Sport Portfolio Reserve to fund:
 - a. the relocation of the café and children's play area within Southsea Library and
 - b. the replacement of the automatic main entrance door at Southsea Library
 - 5) As outlined in Section 14 and Appendix 2 the use of The Prevention (Public Health) Reserve to fund enhanced Assistive Technology to residents with an Adult Social Care need at a total cost of £300,000
 - 6) The City Council note that Prudential Borrowing can only be used as a source of capital finance for Invest to Save Schemes as described in Section 16

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AGENDA ITEM 9 - Capital Programme 2016/17 to 2021/22

Amendment to Cabinet recommendations attached.

Proposed by (Name) G. VERNON - JACKSON

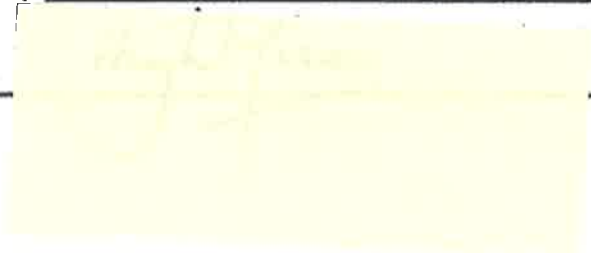
Signed _____



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Seconded by (Name) HUGH MASON

Signed _____



Amendment proposed by the Liberal Democrat Group

Capital Programme 2016/17 to 2021/22

That the recommendations of the Cabinet of 9 February 2017 (Minute 8/17) on "Capital Programme 2016/17 to 2021/22" be amended as follows:-

Recommendation 1 be amended to:

The Revised Capital Programme 2016/17 to 2021/22 attached as Appendix 1 (amended) which includes all additions, deletions and amendments for slippage and re-phasing described in Sections 6 and 8 be approved

Recommendation 4:

The following changes be made to Recommendation 4) and the changes reflected in the Revised Capital Programme 2016/17 to 2021/22 attached as Appendix 1 (amended):

| Scheme Description - Reductions & Additions | | Increase / (Decrease) in Corporate Resources | Increase / (Decrease) in Scheme Value |
|---|---|---|--|
| | | £ | £ |
| Deletions to Proposed Capital Schemes: | | | |
| | Watersedge Park Building | (20,000) | (20,000) |
| | Renovation of Victoria Park Lodge | (100,000) | (100,000) |
| | Phase 1: Refresh of the Allaway Avenue Green and Surrounding Planting | (16,600) | (16,600) |
| | Public Realm Improvements - Chaucer House | (594,000) | (594,000) |
| | Seafront Variable Message Signs | (52,000) | (52,000) |
| | Eastern Corridor Road Link Improvements | (500,000) | (500,000) |
| Additional Capital Scheme Proposals (New): | | | |
| | Feasibility study into the options and viability for providing additional Nursing Home capacity in the City - to reduce pressure on beds and A&E at the QA Hospital | 50,000 | 50,000 |
| | Feasibility study and adaptations to existing facilities to create additional hostel spaces for homeless residents in Portsmouth - enabling the homeless an address as a means to ease access back into work | 100,000 | 100,000 |
| | Additional facilities at Victoria Park Lodge - including public toilets and facilities to provide support for a wide range of vulnerable people with learning difficulties and mental health needs and enabling pathways back into employment and training. Also to continue to provide facilities for the broad community of artists, musicians and community groups | 100,000 | 100,000 |
| | Provision of additional car parking spaces in the City, including for commercial vans in Southsea | 500,000 | 500,000 |
| | Sustainable Transport Fund - To include initiatives to promote alternatives to car journey's, Eastern Corridor Road Link improvements, Chaucer House area road improvements and improved visibility for 20mph roads | 532,600 | 532,600 |
| Total Overall Change | | 0 | 0 |

SECTION 151 OFFICER'S COMMENTS

The proposals set out within this amendment are affordable within the overall capital resources available to the Council.

CITY SOLICITOR'S COMMENTS

The City Solicitor is satisfied that it is within the City Council's powers to approve the amendment as set out, and supports the advice of the Section 151 Officer given above.

| Summary of Capital Programme (All Services) | Expenditure to 31 March 16 | Revised Estimate 2016/17 | Estimate 2017/18 | Estimate 2018/19 | Estimate 2019/20 | Estimate 2020/21 | Estimate 2021 / 22 | Expenditure in Subsequent Years | Final Cost |
|---|----------------------------|--------------------------|--------------------|--------------------|-------------------|-------------------|--------------------|---------------------------------|----------------------|
| | £ | £ | £ | £ | £ | £ | £ | £ | £ |
| Children's Social Care | 85,724 | 59,276 | 1,927,000 | 580,000 | 0 | 0 | 0 | 0 | 2,652,000 |
| Culture, Leisure & Sport | 25,400,807 | 1,866,534 | 7,061,909 | 943,566 | 25,000 | 0 | 0 | 0 | 35,297,816 |
| Education | 47,657,275 | 8,635,496 | 12,285,565 | 5,818,200 | 3,220,000 | 1,000,000 | 0 | 0 | 78,616,536 |
| Environment & Community Safety | 8,303,823 | 6,050,736 | 10,528,829 | 12,010,029 | 13,199,429 | 15,875,427 | 14,554,428 | 51,366,628 | 131,889,329 |
| Health & Social Care (Adults Services) | 3,642,521 | 1,599,158 | 931,383 | 579,000 | 500,000 | 0 | 0 | 0 | 7,252,062 |
| Planning Regeneration & Economic Development | 99,426,040 | 154,285,696 | 93,023,892 | 81,215,760 | 28,277,700 | 21,627,700 | 3,000,000 | 0 | 480,856,788 |
| Commercial Port | 24,440,518 | 3,134,739 | 8,388,026 | 3,786,397 | 3,500,000 | 2,200,541 | 0 | 0 | 45,450,221 |
| Resources | 24,185,929 | 10,192,048 | 6,396,524 | 3,037,066 | 1,458,888 | 0 | 0 | 0 | 45,270,456 |
| Traffic & Transportation | 79,095,038 | 14,443,561 | 13,177,944 | 5,591,192 | 3,230,930 | 1,502,306 | 1,449,327 | 30,348,663 | 148,838,961 |
| Total Capital Programme (Excluding Housing Investment Programme) | 312,237,675 | 200,267,244 | 153,721,072 | 113,561,210 | 53,411,947 | 42,205,974 | 19,003,755 | 81,715,291 | 976,124,169 |
| Housing Investment Programme | 140,188,646 | 36,679,591 | 44,435,624 | 22,507,773 | 23,342,034 | 29,338,790 | 24,591,093 | 24,999,256 | 346,082,807 |
| Total Capital Programme | 452,426,321 | 236,946,835 | 198,156,696 | 136,068,983 | 76,753,981 | 71,544,764 | 43,594,848 | 106,714,547 | 1,322,206,976 |
| Analysis of Programme by Source of Finance | | | | | | | | | |
| Unsupported Borrowing | | 66,073,268 | 84,594,873 | 9,485,421 | 5,218,506 | 5,445,041 | 0 | 0 | 170,817,110 |
| Corporate Reserves (Including Capital Receipts) | | 61,291,054 | 26,084,847 | 29,170,343 | 4,124,259 | 5,079,127 | 3,806,151 | 1,431,857 | 130,987,638 |
| Revenue & Reserves | | 26,463,135 | 21,422,488 | 44,692,937 | 21,074,981 | 21,163,862 | 22,470,882 | 51,847,919 | 209,136,204 |
| Grants | | 75,666,121 | 54,366,484 | 34,026,784 | 24,409,063 | 25,836,700 | 16,124,800 | 52,311,000 | 282,740,952 |
| Contributions | | 7,453,257 | 11,688,004 | 18,693,498 | 21,927,172 | 14,020,034 | 1,193,015 | 1,123,771 | 76,098,751 |
| Total Financing | | 236,946,835 | 198,156,696 | 136,068,983 | 76,753,981 | 71,544,764 | 43,594,848 | 106,714,547 | 869,780,655 |

Agenda Item 10

RECOMMENDATION from Scrutiny Management Panel held on 21 November 2016

Agenda Item 10 - Notice of Motion Referral - 'Make Fair Transitional Pension arrangements for 1950's Women' (minute 17)

RECOMMENDED that the following response be sent to Full Council

"Scrutiny Management Panel have considered the notice of motion to **'Make Fair Transitional Pension arrangements for 1950's Women'**.

The panel would like to congratulate the professional campaign of the Women Against State Pension Inequality' in bringing this issue to the widespread population and parliament. Despite this being a matter for government to resolve, SMP support the original Notice of Motion. "

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Briefing paper for: Scrutiny Management Panel

From: Shaun Tetley, Payroll and Pensions Manager

Fair Transitional State Pension Arrangements for 1950's Women

At a meeting of Full Council on 11 October 2016, the Notice of Motion set out below (that was proposed by Councillor Lynne Stagg and seconded by Councillor Matthew Winnington) was referred to Scrutiny Management Panel for consideration.

Make Fair Transitional State Pension Arrangements for 1950's Women

"Portsmouth City Council calls upon the Government to make fair transitional state pension arrangements for all women born on or after 6th April 1951, who have unfairly borne the burden of the increase to the State Pension Age (SPA) with lack of appropriate notification. Hundreds of thousands of women had significant pension changes imposed on them by the Pensions Acts of 1995 and 2011 with little or no personal notification of the changes. Some women had only two years notice of a six-year increase to their state pension age. Many women born in the 1950s are living in hardship. Retirement plans have been shattered with devastating consequences. Many of these women are already out of the labour market, caring for elderly relatives, providing childcare for grandchildren, or suffer discrimination in the workplace so struggle to find employment.

Women born in this decade are suffering financially. These women have worked hard, raised families and paid their tax and national insurance with the expectation that they would be financially secure when reaching 60. It is not the pension age itself that is in dispute - it is widely accepted that women and men should retire at the same time. The issue is that the rise in the women's state pension age has been too rapid and has happened without sufficient notice being given to the women affected, leaving women with no time to make alternative arrangements.

This council recognises the work done by local residents to raise this issue on behalf of the affected women in Portsmouth and the support from many unaffected residents who share this feeling of injustice.

Many MPs have backed this campaign, including Portsmouth South's Flick Drummond.

Therefore, Portsmouth City Council calls upon the Leader and the Chief Executive to write to the Government to urge them to heed the calls of the petition being delivered to Parliament today and reconsider transitional arrangements for women in Portsmouth and the rest of the UK born on or after 6th April 1951, so that women do not live in hardship due to pension changes they were not told about until it was too late to make alternative arrangements."

To assist the Scrutiny Management Panel with its deliberations and report back to Full Council, the following information is presented.

What is happening to the women's state pension age (SPA)?

The age at which women qualify for the state pension is due to rise to 65 in November 2018 and 66 by October 2020, in order to bring the ages into line with men's SPA. The intention is to increase the SPA in future to take account of everyone living longer.

This equalisation of men and women's state pension age was originally outlined in 1995, when the then Conservative Government said it planned to gradually raise the women's retirement age from 60 to 65 between 2010 and 2020.

This was followed in 2007 by a Labour announcement that both men and women would see their retirement age go up to 66 between 2024 and 2026.

But in 2011, Chancellor George Osborne brought forward the timing of both changes to 2018 and 2020 respectively, hitting women particularly hard because their increases are happening both sooner than expected and in quick succession.

According to House of Commons Library figures compiled for Labour MP and former shadow work and pensions secretary Rachel Reeves, the accelerated changes will result in a state pension loss of between £8,000 and £12,000 state pension. A table is attached at Appendix 1 to show the estimated loss.

What's being done to protest over the changes?

A respected campaign group called the 'Women Against State Pension Inequality' (Wasp) says it agrees with equalising women's and men's pension ages, but not the 'unfair' way the changes are being implemented.

It says this is happening with little or no personal notice and faster than promised, adding: "Retirement plans have been shattered with devastating consequences."

The campaign has prompted 4 parliamentary debates where Wasp called on the Government to make fair transitional arrangements for all women born on or after 6 April 1951.

What does the Government say in response?

In response to the debates, the Department for Work and Pensions said:

'The Government will not be revisiting the state pension age arrangements for women affected by the 1995 or 2011 Acts. The Government carried out extensive analysis of the impacts of bringing forward the rise when legislating for the change. The decision to amend the timetable originally set out in the bill, to cap the maximum increase at 18 months rather than two years, was informed by this analysis.'

It goes on: "The policy decision to increase women's State Pension age is designed to remove the inequality between men and women. The cost of prolonging this inequality would be several billions of pounds."

'Parliament extensively debated the issue and listened to all arguments both for and against the acceleration of the timetable to remove this inequality. The decision was approved by Parliament in 2011 and there is no new evidence to consider.'

The DWP adds that the Government has notified the women affected by the state pension age changes, saying: 'Following the 2011 changes, DWP wrote to all those directly affected to inform them of the change to their state pension age - using the address details recorded by HMRC at the time.'

And it points out that all women affected by faster equalisation will reach state pension age after the introduction of the new state pension, which will 'be more generous for many women who have historically done poorly under the current, two-tier system - largely as a result of lower average earnings and part-time working'.

In his first interview since his appointment at the Department for Work and Pensions, Richard Harrington MP, said he wanted to make "very clear" that the demands of the Waspi campaign group would not be met.

He confirmed that the Government will make no further changes to their pension age or pay them compensation.

He added that some politicians had given them "false hope", leading them to believe that their efforts may result in the Government giving them special treatment. And said "I'd like to make it very clear that the Government will be making no further changes in this field."

Next Stage

Scrutiny Management Panel is asked to consider what it wishes to report back to Full Council.

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Appendix 1

Women's State Pension Age

| | |
|-------------------------------------|--------|
| Current Weekly State Pension Figure | 155.65 |
|-------------------------------------|--------|

| Under the Pension Act 1995 | | |
|----------------------------|--------------------|--------------------------------|
| Date of Birth (from) | Date of Birth (to) | Date State Pension Age Reached |

| Changes under Pensions Act 2011 | | |
|---------------------------------|--------------------|--------------------------------|
| Date of Birth (from) | Date of Birth (to) | Date State Pension Age Reached |

| Amount Lost |
|-------------|
|-------------|

| | | | | | | |
|-------------|-------------|-------------|-------------|-------------|-------------|------------|
| 06 Dec 1953 | 05 Jan 1954 | 06 Sep 2017 | 06 Dec 1953 | 05 Jan 1954 | 06 Mar 2019 | £12,140.70 |
| 06 Jan 1954 | 05 Feb 1954 | 06 Nov 2017 | 06 Jan 1954 | 05 Feb 1954 | 06 May 2019 | £12,140.70 |
| 06 Feb 1954 | 05 Mar 1954 | 06 Jan 2018 | 06 Feb 1954 | 05 Mar 1954 | 06 Jul 2019 | £12,140.70 |
| 06 Mar 1954 | 05 Apr 1954 | 06 Mar 2018 | 06 Mar 1954 | 05 Apr 1954 | 06 Sep 2019 | £12,207.41 |
| 06 Apr 1954 | 05 May 1954 | 06 May 2018 | 06 Apr 1954 | 05 May 1954 | 06 Nov 2019 | £12,207.41 |
| 06 May 1954 | 05 Jun 1954 | 06 Jul 2018 | 06 May 1954 | 05 Jun 1954 | 06 Jan 2020 | £12,207.41 |
| 06 Jun 1954 | 05 Jul 1954 | 06 Sep 2018 | 06 Jun 1954 | 05 Jul 1954 | 06 Mar 2020 | £12,162.94 |
| 06 Jul 1954 | 05 Aug 1954 | 06 Nov 2018 | 06 Jul 1954 | 05 Aug 1954 | 06 May 2020 | £12,162.94 |
| 06 Aug 1954 | 05 Sep 1954 | 06 Jan 2019 | 06 Aug 1954 | 05 Sep 1954 | 06 Jul 2020 | £12,162.94 |
| 06 Sep 1954 | 05 Oct 1954 | 06 Mar 2019 | 06 Sep 1954 | 05 Oct 1954 | 06 Sep 2020 | £12,229.64 |
| 06 Oct 1954 | 05 Nov 1954 | 06 May 2019 | 06 Oct 1954 | 05 Nov 1954 | 06 Oct 2020 | £11,540.34 |
| 06 Nov 1954 | 05 Dec 1954 | 06 Jul 2019 | 06 Nov 1954 | 05 Dec 1954 | 06 Nov 2020 | £10,873.26 |
| 06 Dec 1954 | 05 Jan 1955 | 06 Sep 2019 | 06 Dec 1954 | 05 Jan 1955 | 06 Dec 2020 | £10,161.72 |
| 06 Jan 1955 | 05 Feb 1955 | 06 Nov 2019 | 06 Jan 1955 | 05 Feb 1955 | 06 Jan 2021 | £9,494.65 |
| 06 Feb 1955 | 05 Mar 1955 | 06 Jan 2020 | 06 Feb 1955 | 05 Mar 1955 | 06 Feb 2021 | £8,827.58 |
| 06 Mar 1955 | 05 Apr 1955 | 06 Mar 2020 | 06 Mar 1955 | 05 Apr 1955 | 06 Mar 2021 | £8,116.04 |
| 06 Apr 1955 | 05 May 1955 | 06 Apr 2020 | 06 Apr 1955 | 05 May 1955 | 06 Apr 2021 | £8,116.04 |
| 06 May 1955 | 05 Jun 1955 | 06 May 2020 | 06 May 1955 | 05 Jun 1955 | 06 May 2021 | £8,116.04 |
| 06 Jun 1955 | 05 Jul 1955 | 06 Jun 2020 | 06 Jun 1955 | 05 Jul 1955 | 06 Jun 2021 | £8,116.04 |
| 06 Jul 1955 | 05 Aug 1955 | 06 Jul 2020 | 06 Jul 1955 | 05 Aug 1955 | 06 Jul 2021 | £8,116.04 |
| 06 Aug 1955 | 05 Sep 1955 | 06 Aug 2020 | 06 Aug 1955 | 05 Sep 1955 | 06 Aug 2021 | £8,116.04 |
| 06 Sep 1955 | 05 Oct 1955 | 06 Sep 2020 | 06 Sep 1955 | 05 Oct 1955 | 06 Sep 2021 | £8,116.04 |
| 06 Oct 1955 | 05 Nov 1955 | 06 Oct 2020 | 06 Oct 1955 | 05 Nov 1955 | 06 Oct 2021 | £8,116.04 |
| 06 Nov 1955 | 05 Dec 1955 | 06 Nov 2020 | 06 Nov 1955 | 05 Dec 1955 | 06 Nov 2021 | £8,116.04 |
| 06 Dec 1955 | 05 Jan 1956 | 06 Dec 2020 | 06 Dec 1955 | 05 Jan 1956 | 06 Dec 2021 | £8,116.04 |
| 06 Jan 1956 | 05 Feb 1956 | 06 Jan 2021 | 06 Jan 1956 | 05 Feb 1956 | 06 Jan 2022 | £8,116.04 |
| 06 Feb 1956 | 05 Mar 1956 | 06 Feb 2021 | 06 Feb 1956 | 05 Mar 1956 | 06 Feb 2022 | £8,116.04 |
| 06 Mar 1956 | 05 Apr 1956 | 06 Mar 2021 | 06 Mar 1956 | 05 Apr 1956 | 06 Mar 2022 | £8,116.04 |
| 06 Apr 1956 | 05 May 1956 | 06 Apr 2021 | 06 Apr 1956 | 05 May 1956 | 06 Apr 2022 | £8,116.04 |
| 06 May 1956 | 05 Jun 1956 | 06 May 2021 | 06 May 1956 | 05 Jun 1956 | 06 May 2022 | £8,116.04 |
| 06 Jun 1956 | 05 Jul 1956 | 06 Jun 2021 | 06 Jun 1956 | 05 Jul 1956 | 06 Jun 2022 | £8,116.04 |
| 06 Jul 1956 | 05 Aug 1956 | 06 Jul 2021 | 06 Jul 1956 | 05 Aug 1956 | 06 Jul 2022 | £8,116.04 |
| 06 Aug 1956 | 05 Sep 1956 | 06 Aug 2021 | 06 Aug 1956 | 05 Sep 1956 | 06 Aug 2022 | £8,116.04 |
| 06 Sep 1956 | 05 Oct 1956 | 06 Sep 2021 | 06 Sep 1956 | 05 Oct 1956 | 06 Sep 2022 | £8,116.04 |
| 06 Oct 1956 | 05 Nov 1956 | 06 Oct 2021 | 06 Oct 1956 | 05 Nov 1956 | 06 Oct 2022 | £8,116.04 |
| 06 Nov 1956 | 05 Dec 1956 | 06 Nov 2021 | 06 Nov 1956 | 05 Dec 1956 | 06 Nov 2022 | £8,116.04 |
| 06 Dec 1956 | 05 Jan 1957 | 06 Dec 2021 | 06 Dec 1956 | 05 Jan 1957 | 06 Dec 2022 | £8,116.04 |
| 06 Jan 1957 | 05 Feb 1957 | 06 Jan 2022 | 06 Jan 1957 | 05 Feb 1957 | 06 Jan 2023 | £8,116.04 |
| 06 Feb 1957 | 05 Mar 1957 | 06 Feb 2022 | 06 Feb 1957 | 05 Mar 1957 | 06 Feb 2023 | £8,116.04 |
| 06 Mar 1957 | 05 Apr 1957 | 06 Mar 2022 | 06 Mar 1957 | 05 Apr 1957 | 06 Mar 2023 | £8,116.04 |
| 06 Apr 1957 | 05 May 1957 | 06 Apr 2022 | 06 Apr 1957 | 05 May 1957 | 06 Apr 2023 | £8,116.04 |
| 06 May 1957 | 05 Jun 1957 | 06 May 2022 | 06 May 1957 | 05 Jun 1957 | 06 May 2023 | £8,116.04 |
| 06 Jun 1957 | 05 Jul 1957 | 06 Jun 2022 | 06 Jun 1957 | 05 Jul 1957 | 06 Jun 2023 | £8,116.04 |

Appendix 1

Women's State Pension Age

| | |
|-------------------------------------|--------|
| Current Weekly State Pension Figure | 155.65 |
|-------------------------------------|--------|

| Under the Pension Act 1995 | | |
|----------------------------|--------------------|--------------------------------|
| Date of Birth (from) | Date of Birth (to) | Date State Pension Age Reached |

| Changes under Pensions Act 2011 | | |
|---------------------------------|--------------------|--------------------------------|
| Date of Birth (from) | Date of Birth (to) | Date State Pension Age Reached |

| Amount Lost |
|-------------|
|-------------|

| | | | | | | |
|-------------|-------------|-------------|-------------|-------------|-------------|-----------|
| 06 Jul 1957 | 05 Aug 1957 | 06 Jul 2022 | 06 Jul 1957 | 05 Aug 1957 | 06 Jul 2023 | £8,116.04 |
| 06 Aug 1957 | 05 Sep 1957 | 06 Aug 2022 | 06 Aug 1957 | 05 Sep 1957 | 06 Aug 2023 | £8,116.04 |
| 06 Sep 1957 | 05 Oct 1957 | 06 Sep 2022 | 06 Sep 1957 | 05 Oct 1957 | 06 Sep 2023 | £8,116.04 |
| 06 Oct 1957 | 05 Nov 1957 | 06 Oct 2022 | 06 Oct 1957 | 05 Nov 1957 | 06 Oct 2023 | £8,116.04 |
| 06 Nov 1957 | 05 Dec 1957 | 06 Nov 2022 | 06 Nov 1957 | 05 Dec 1957 | 06 Nov 2023 | £8,116.04 |
| 06 Dec 1957 | 05 Jan 1958 | 06 Dec 2022 | 06 Dec 1957 | 05 Jan 1958 | 06 Dec 2023 | £8,116.04 |
| 06 Jan 1958 | 05 Feb 1958 | 06 Jan 2023 | 06 Jan 1958 | 05 Feb 1958 | 06 Jan 2024 | £8,116.04 |
| 06 Feb 1958 | 05 Mar 1958 | 06 Feb 2023 | 06 Feb 1958 | 05 Mar 1958 | 06 Feb 2024 | £8,116.04 |
| 06 Mar 1958 | 05 Apr 1958 | 06 Mar 2023 | 06 Mar 1958 | 05 Apr 1958 | 06 Mar 2024 | £8,138.27 |
| 06 Apr 1958 | 05 May 1958 | 06 Apr 2023 | 06 Apr 1958 | 05 May 1958 | 06 Apr 2024 | £8,138.27 |
| 06 May 1958 | 05 Jun 1958 | 06 May 2023 | 06 May 1958 | 05 Jun 1958 | 06 May 2024 | £8,138.27 |
| 06 Jun 1958 | 05 Jul 1958 | 06 Jun 2023 | 06 Jun 1958 | 05 Jul 1958 | 06 Jun 2024 | £8,138.27 |
| 06 Jul 1958 | 05 Aug 1958 | 06 Jul 2023 | 06 Jul 1958 | 05 Aug 1958 | 06 Jul 2024 | £8,138.27 |
| 06 Aug 1958 | 05 Sep 1958 | 06 Aug 2023 | 06 Aug 1958 | 05 Sep 1958 | 06 Aug 2024 | £8,138.27 |
| 06 Sep 1958 | 05 Oct 1958 | 06 Sep 2023 | 06 Sep 1958 | 05 Oct 1958 | 06 Sep 2024 | £8,138.27 |
| 06 Oct 1958 | 05 Nov 1958 | 06 Oct 2023 | 06 Oct 1958 | 05 Nov 1958 | 06 Oct 2024 | £8,138.27 |
| 06 Nov 1958 | 05 Dec 1958 | 06 Nov 2023 | 06 Nov 1958 | 05 Dec 1958 | 06 Nov 2024 | £8,138.27 |
| 06 Dec 1958 | 05 Jan 1959 | 06 Dec 2023 | 06 Dec 1958 | 05 Jan 1959 | 06 Dec 2024 | £8,138.27 |
| 06 Jan 1959 | 05 Feb 1959 | 06 Jan 2024 | 06 Jan 1959 | 05 Feb 1959 | 06 Jan 2025 | £8,138.27 |
| 06 Feb 1959 | 05 Mar 1959 | 06 Feb 2024 | 06 Feb 1959 | 05 Mar 1959 | 06 Feb 2025 | £8,138.27 |
| 06 Mar 1959 | 05 Apr 1959 | 06 Mar 2024 | 06 Mar 1959 | 05 Apr 1959 | 06 Mar 2025 | £8,116.04 |
| 06 Apr 1959 | 05 May 1959 | 06 Apr 2024 | 06 Apr 1959 | 05 May 1959 | 06 Apr 2025 | £8,116.04 |
| 06 May 1959 | 05 Jun 1959 | 06 May 2024 | 06 May 1959 | 05 Jun 1959 | 06 May 2025 | £8,116.04 |
| 06 Jun 1959 | 05 Jul 1959 | 06 Jun 2024 | 06 Jun 1959 | 05 Jul 1959 | 06 Jun 2025 | £8,116.04 |
| 06 Jul 1959 | 05 Aug 1959 | 06 Jul 2024 | 06 Jul 1959 | 05 Aug 1959 | 06 Jul 2025 | £8,116.04 |
| 06 Aug 1959 | 05 Sep 1959 | 06 Aug 2024 | 06 Aug 1959 | 05 Sep 1959 | 06 Aug 2025 | £8,116.04 |
| 06 Sep 1959 | 05 Oct 1959 | 06 Sep 2024 | 06 Sep 1959 | 05 Oct 1959 | 06 Sep 2025 | £8,116.04 |
| 06 Oct 1959 | 05 Nov 1959 | 06 Oct 2024 | 06 Oct 1959 | 05 Nov 1959 | 06 Oct 2025 | £8,116.04 |
| 06 Nov 1959 | 05 Dec 1959 | 06 Nov 2024 | 06 Nov 1959 | 05 Dec 1959 | 06 Nov 2025 | £8,116.04 |
| 06 Dec 1959 | 05 Jan 1960 | 06 Dec 2024 | 06 Dec 1959 | 05 Jan 1960 | 06 Dec 2025 | £8,116.04 |
| 06 Jan 1960 | 05 Feb 1960 | 06 Jan 2025 | 06 Jan 1960 | 05 Feb 1960 | 06 Jan 2026 | £8,116.04 |
| 06 Feb 1960 | 05 Mar 1960 | 06 Feb 2025 | 06 Feb 1960 | 05 Mar 1960 | 06 Feb 2026 | £8,116.04 |
| 06 Mar 1960 | 05 Apr 1960 | 06 Mar 2025 | 06 Mar 1960 | 05 Apr 1960 | 06 Mar 2026 | £8,116.04 |

Agenda Item 11

From GOVERNANCE & AUDIT AND STANDARDS COMMITTEE held on
3 February 2017

Agenda Item 11 - External Audit Arrangements After 2017/18 (minute 6)

RECOMMENDED to Council that it opts in to the appointing person arrangements made by Public Sector Audit Appointments (PSAA) for the appointment of external auditors.

To be proposed by Cllr Lyon.

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| | |
|-------------------------------|---|
| Title of meeting: | Governance and Audit and Standards Committee City Council |
| Date of meeting: | 3 February 2017 (Governance and Audit and Standards Committee) 14 February (City Council) |
| Subject: | External Audit Arrangements After 2017/18 |
| Report by: | Director of Finance and Information Services (Section 151 Officer) |
| Wards affected: | All |
| Key decision: | No |
| Full Council decision: | Yes |

1. Purpose of report

To secure the appointment of an external auditor for the 2018/19 and subsequent years accounts.

2. Recommendation

That Governance and Audit and Standards Committee consider the report and recommends to Council that it opts in to the appointing person arrangements made by Public Sector Audit Appointments (PSAA) for the appointment of external auditors.

3. Background

In July 2016 PSAA were specified by the Secretary of State as an appointing person under regulation 3 of the Local Audit (Appointing Person) Regulations 2015. The appointing person is sometimes referred to as the sector led body and PSAA has wide support across most of local government. PSAA was originally established to operate the transitional arrangements following the closure of the Audit Commission and is a company owned by the Local Government Association's Improvement and Development Agency (IDeA).

The date by which authorities will need to opt in to the appointing person arrangements is 9 March 2017.

4. Reasons for recommendations

The main advantages of using PSAA are:

- Assure timely auditor appointments
- Manage independence of auditors
- Secure competitive prices
- Save on procurement costs
- Save time and effort needed on auditor panels
- Focus on audit quality
- Operate on a not for profit basis and distribute any surplus funds to scheme members.

An alternative option available to the Council is to establish an auditor panel and conduct our own procurement either on its own, or through a joint procurement with a group of other local authorities. This is not recommended as it will be a far more resource intensive process and, without the bulk buying power of the sector led procurement, would be likely to result in a more costly service.

5. Equality impact assessment (EIA)

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

6. Legal Implications

The Section 151 Officer is required by the Local Government Act 1972 and by the Accounts and Audit Regulations 2015 to ensure that the Council's budgeting, financial management, and accounting practices meet the relevant statutory and professional requirements. Members must have regard to and be aware of the wider duties placed on the Council by various statutes governing the conduct of its financial affairs.

7. Director of Finance and Information Services (Section 151 Officer) comments

All financial considerations are contained within the body of the report.

.....
Signed by Director of Finance and Information Services (Section 151 Officer)

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

| Title of document | Location |
|--|--------------------|
| 1 Information pertaining to the appointment of external auditors | Financial Services |
| 2 | |

Agenda Item 13



Portsmouth
CITY COUNCIL

**QUESTIONS FOR THE CABINET OR CHAIR
UNDER STANDING ORDER NO 17**

CITY COUNCIL MEETING – 14 February 2017

QUESTION NO 1

FROM: COUNCILLOR COLIN GALLOWAY

**TO REPLY: LEADER OF THE COUNCIL
COUNCILLOR DONNA JONES**

Can the Leader please explain why we are spending more money revamping Commercial Road when nothing has been done to address the ever-growing collection of beggars, vagrants and alleged homeless persons who appear to regard Commercial Road as their own safe haven?

QUESTION NO 2

FROM: COUNCILLOR MATTHEW WINNINGTON

**TO REPLY: LEADER OF THE COUNCIL
COUNCILLOR DONNA JONES**

Can the Leader of the Council please give an update on Portsmouth's bid to stage the Grand Depart of the Tour de France in 2019?

QUESTION NO 3

FROM: COUNCILLOR DARREN SANDERS

TO REPLY: LEADER OF THE COUNCIL
COUNCILLOR DONNA JONES

Could Cllr Jones update members on what progress has been made on devolution since the Solent Combined Authority collapsed due to the opposition of Conservatives on Hampshire and Isle of Wight Councils?