



Agenda & minutes

Full Council meeting of
Tuesday, 13 February 2018

Portsmouth City Council

A MEETING OF THE COUNCIL will be held at the Council Chamber - The Guildhall on Tuesday, 13 February 2018 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 **Declaration of Members' Interests**
- 2 **To approve as a correct record the Minutes of the Ordinary Council meeting held on 12 December 2017 (Pages 7 - 26)**
- 3 **To receive such communications as the Lord Mayor may desire to lay before the Council, including apologies for absence**
- 4 **Deputations from the Public under Standing Order No 24**
- 5 **Appointments**
- 6 **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.
- 7 **Portsmouth City Council - Budget & Council Tax 2018/19 & Medium Term Budget Forecast 2019/20 to 2021/22 (Pages 27 - 78)**

To receive and consider the recommendations of the Cabinet meeting held on 12 February (to follow), the report for which is attached.
- 8 **Capital Programme 2017/18 to 2022/23 (Pages 79 - 150)**

To receive and consider the recommendations of the Cabinet meeting held on 12 February (to follow), the report for which is attached.
- 9 **Portsmouth Youth Offending Team Youth Justice Strategic Plan 2017-19 (Pages 151 - 172)**

To receive and consider the recommendations by the Cabinet held on 12 February 2018 (to follow) the report for which is attached.
- 10 **Review of the political balance on committees and Panels (Pages 173 - 176)**

To consider the Chief Executive's attached report.

Notices of Motion: Process information

Standing Order (32(d)) requires a vote by members before each motion to determine whether or not the motion is to be debated at the meeting or stand referred to the Cabinet or relevant Committee (including Scrutiny) to report back to a future meeting.

11 Notices of Motion

(a) Notice of Motion (a) - Policing Cuts

Proposed by Councillor Lee Hunt
Seconded by Councillor Rob Wood

'The City Council notes the decision of the Government to cut funding to Hampshire Police by £3.67million for next year. Also not provide any funding to cover inflation, this makes it a real terms cut of £7million to Hampshire Police by the Government.

The City Council condemns this decision and believes this will make local residents in Portsmouth less safe and will mean real cuts to the police.

The City Council therefore requests the Leader of the City Council, along with all other Group Leaders, to sign a strongly worded letter to the Home Secretary to object to this cut and to lobby our MPs to fight for a better settlement for Hampshire Police'.

(b) Notice of Motion (b)

Proposed Councillor Suzy Horton
Seconded Councillor Lynne Stagg

The City Council wishes to record the centenary of the granting of votes for women for parliamentary elections in the UK.

We should also commemorate the 1869 petition for votes for women that was circulated in Portsmouth and the decision to allow women to vote in city elections in that year. Consequently, we should also remember the election of Kate Edmond in 1918 as the first female councillor in Portsmouth.

To commemorate the granting of the franchise to women in parliamentary elections in 1918, the City Council wishes to unveil a plaque at 2 Kent Street in Portsmouth, the former location of the Women's Suffrage office

Consequently, the City Council requests the Cabinet Member for Resources investigate the costs of a suitable plaque and consider whether it can be afforded from within the Resources Cash Limit or its Portfolio Reserve"

(c) **Notice of Motion (c) - Reducing the use of single-use plastics in Portsmouth**

Proposed by Councillor Lee Hunt
Seconded by Councillor Rob Wood

The introduction of the 5p bag charge has already seen use of single-use plastic bags drop by 85%, but most families still throw away about 40kg of plastic per year, which could otherwise be recycled. The amount of plastic waste generated annually in the UK is estimated to be nearly 5 million tonnes.

Whilst, the Council welcomes the commitment of some major businesses to reduce their use of plastic packaging in the medium-term, and encourages all local businesses to respond to the Government's recent call for evidence on reducing plastic waste, a true step change in this level of plastic waste can only be achieved by reducing the prevalence of single-use plastic materials.

Therefore Council resolves to ask the Cabinet to;

1. Develop a robust strategy to make Portsmouth a 'single-use-plastic-free' authority by the end of 2018 and encourage the City's institutions, businesses and citizens to adopt similar measures;
2. End the sale and provision of single use plastic products such as bottles, cups, cutlery and drinking straws in council buildings, or council supported venues, wherever possible; promoting the use of non-plastic recyclable alternatives e.g. paper straws to ensure our venues remain accessible to those with additional needs.
3. Encourage traders in Portsmouth to sell re-usable containers and invite customers to bring their own. Consider introducing a 'window sticker' scheme to accredit local businesses that are committed to reducing plastic waste e.g. offering free water bottle refills.
4. Investigate the possibility of requiring pop-up food and drink vendors at council supported events to avoid single use plastics as a condition of their contract; with a view to phasing out all single use plastics at markets and events in the City by the end of 2018.
5. Work with tenants in commercial properties owned by Portsmouth City Council to encourage the phasing out of single use plastic cups, bottles, cutlery and straws.

12 Questions from Members under Standing Order No 17

There are none.

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.

This meeting is webcast (videoed), viewable via the Council's livestream account at <https://livestream.com/accounts/14063785>

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

Civic Offices
Guildhall Square
PORTSMOUTH
5 February 2018

Agenda Item 2

12 December 2017 1

MINUTES OF A MEETING OF THE COUNCIL held at the Guildhall
Portsmouth on Tuesday, 12 December 2017 at 2.00 pm

Council Members Present

The Right Worshipful The Lord Mayor
Councillor Ken Ellcome (in the Chair)

Councillors

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

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

Councillor Darren Sanders declared a personal, non-prejudicial interest under item 9(b) in that his mother lives in one of the tower blocks mentioned in the notice of motion.

94. Minutes of the Ordinary Council Meeting held on 14 November 2017

It was

Proposed by Councillor Donna Jones
Seconded by Councillor Hugh Mason

That the minutes of the council meeting held on 14 November 2017 be confirmed and signed as a correct record.

RESOLVED that the minutes of the council meeting held on 14 November 2017 be confirmed and signed as a correct record.

95. Communications and apologies for absence

Apologies for absence were received on behalf of Councillor Gerald Vernon-Jackson and Councillor James Fleming.

Councillor Stephen Morgan MP gave apologies for having to leave the meeting early. Councillor Rob Wood gave his apologies for having to leave the meeting at 6.30 pm if it had not concluded by then.

The Lord Mayor gave detailed information concerning filming in the chamber and reiterated 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 the public galleries and in the chamber itself.

The Lord Mayor referred to the seating plan which had been slightly updated.

The Lord Mayor then advised council that a former Lord Mayor of Portsmouth, Pam Webb had recently passed away and that he attended her funeral on 28 November.

The Lord Mayor also advised that Alan Lihou a civic awardee, church administrator and warden who worked with the Cathedral Innovation Centre and The Rowans had also recently passed away. His funeral took place on 11 December.

The Lord Mayor said that the thoughts of council were with Pam and Alan's families at this time.

The Lord Mayor then updated council about his recent visit to Portsmouth's twin cities of Caen and Duisburg.

The Lord Mayor next referred to the extraordinary council meeting held on 11 July 2017 in which it was agreed to admit former Portsmouth city councillor, Alex Bentley to the role of honorary aldermen. The Lord Mayor said that it was with great pleasure that he was able to present Alex Bentley with the framed certificate at this meeting and after congratulating Mr Bentley, he invited him to make an acceptance speech if he wished to do so. Mr Bentley addressed Council during which he thanked the Lord Mayor and councillors for admitting him to the roll of honorary aldermen and also thanked his family for all the support they had given him.

96. Deputations from the Public under Standing Order No 24

There were no deputations.

97. Appointments

The Lord Mayor advised that he had been notified of proposed appointments to be made in respect of the Planning Committee membership as previously circulated to members and these were agreed.

RESOLVED the in respect of the Planning Committee Councillor Luke Stubbs and Councillor Scott Payter-Harris be appointed as standing deputies.

98. Urgent Business under Standing Order No 26

There was no urgent business.

Recommendations from the Cabinet Meeting held on 11 December 2017**99. Minute 52 - Revenue Budget 2018/19 - Savings Proposals**

This was opposed.

It was

Proposed by Councillor Donna Jones
Seconded by Councillor Luke Stubbs

That the recommendations contained in the report entitled "Portsmouth City Council Revenue Budget 2018/19 - 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 the two Independent members of council, Councillor Paul Godier and Councillor John Ferrett.

The Leader also placed on record her thanks to Chris Ward and Julian Pike saying that the council was lucky to have such able officers. She then gave her personal thanks to members of the Conservative group and especially to the Cabinet Members.

As the Leader of the Liberal Democrat group was unable to attend the meeting, it was

Proposed by Councillor Ben Dowling
Seconded by Councillor Donna Jones

That Standing Orders be waived so that the Deputy Leader of the Liberal Democrat group would be allowed to have unlimited speaking time when speaking to the revenue budget proposals. Upon being put to the vote this was CARRIED.

RESOLVED that the Deputy Group Leader of the Liberal Democrats Group be allowed unlimited speaking time when speaking to the revenue budget proposals.

As an amendment it was

Proposed by Councillor Hugh Mason
Seconded by Councillor Ben Dowling

That the recommendation set out in Appendix 1 to these minutes (Liberal Democrat revenue amendment) be adopted. Councillor Hugh Mason spoke to his group's proposed budget amendment. He thanked all finance officers for their hard work and in particular expressed thanks to Chris Ward and Julian Pike. He also expressed thanks to the city council's Cabinet for all the hard work they had put in and recognised their efforts.

He commended the Liberal Democrat group's proposed budget amendments to the council.

The Lord Mayor invited the Leader of the UKIP group, Councillor Colin Galloway to respond to the budget proposals which he then did. No amendment was proposed by Councillor Galloway.

The Lord Mayor then invited the Leader of the Labour group, Councillor Stephen Morgan to respond to the budget proposals which he then did. No amendments were proposed by Councillor Morgan.

Council adjourned at 3.35 pm.

Council resumed at 3.45 pm.

Following debate the Lord Mayor called upon the Leader of the Council, Councillor Donna Jones to sum up the debate which she then did. Councillor Jones said that she did not propose to accept the Liberal Democrat group amendment and gave her reasons. She placed on record the help and support given by all staff over the last financial year.

The Lord Mayor advised that the revenue budget and the amendment would be voted on using the recorded vote method in accordance with the regulations. Upon the Liberal Democrat group amendment standing in the name of Councillor Hugh Mason being put to the vote, the following members voted in favour:-

Councillors	Dave Ashmore	Steve Pitt
	Ben Dowling	Will Purvis
	David Fuller	Darren Sanders
	Suzy Horton	Lynne Stagg
	Lee Hunt	Matthew Winnington
	Leo Madden	Rob Wood
	Hugh Mason	Tom Wood

The following members voted against:

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

The following member abstained:

Councillor Yahiya Chowdhury

The Liberal Democrat group amendment was therefore LOST.

Upon the recommendations from Cabinet being put to the vote, the following members voted in favour:

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

The following members voted against:

Councillors	Dave Ashmore	Hugh Mason	Tom Wood
	Yahiya Chowdhury	Steve Pitt	
	Ben Dowling	Will Purvis	
	David Fuller	Darren Sanders	
	Suzy Horton	Lynne Stagg	
	Lee Hunt	Matthew Winnington	
	Leo Madden	Rob Wood	

There were no abstentions.

This was therefore CARRIED.

RESOLVED

1 That the following be approved:

- (a) That the Council's Budget for 2018/19 be prepared on the basis of a 1.99% Council Tax increase for general purposes**
- (b) That the Council continues to take advantage of the opportunity to increase the level of Council Tax for an**

"Adult Social Care Precept" within the limits set by Central Government (i.e. a 3% increase phased over the financial years 2018/19 and 2019/20), and consequently that the additional funding is passported direct to Adult Social Care to provide for otherwise unfunded cost pressures.

- (c) That the Council's authorised limit for external debt in 2017/18 is increased by £45m to £653m**
- (d) The savings proposals for each Portfolio amounting, in total, to £4m for 2018/19 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 £500,000 is transferred from the MTRS Reserve to replenish the Voluntary Sector Capacity & Transition Fund**

2 That the following be noted:

- (a) The Budget Savings Requirement for 2018/19 of £4m approved by the City Council was based on a Council Tax increase of 1.99%; each 1% change (increase or decrease) in the Council Tax results in a change to the savings requirement of £708,000¹**
- (b) The key themes arising from the budget consultation**
- (c) The indicative savings proposals set out in Appendix B which are provided for the purpose of demonstrating to the Council that the Portfolio savings as recommended in paragraph 1 (d) above are robust and deliverable**
- (d) The likely impact of savings as set out in Appendix B**
- (e) That the responsibility of the City Council is to approve the overall Budget and the associated cash limits of its Portfolios and Committees; it is not the responsibility of the City Council to approve any individual savings within those Portfolios / Committees**
- (f) That it is the responsibility of the individual Portfolio Holders (not full Council) to approve the individual savings proposals and the Portfolio Holder can therefore, in response to any consultation, alter, amend or substitute any of the indicative savings proposal(s) set out in Appendix B with alternative proposal(s) amounting to the same value within their Portfolio**
- (g) Managers will commence the implementation of the approved savings required and any necessary consultation process or notice process**
- (h) That there is no general provision for Budget Pressures and that it is the responsibility of the Portfolio Holder to manage any Budget Pressures which arise from the overall resources available to the Portfolio (which includes their Portfolio Reserve)**
- (i) In accordance with the approved financial framework, it is the responsibility of the Portfolio Holder, in consultation**

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

- 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 10.19**
- (j) The MTRS Reserve held to fund the upfront costs associated with Spend to Save Schemes, Invest to Save Schemes and redundancies currently holds a very modest uncommitted balance of £2.0m² and will only be replenished from an approval to the transfer of any non-Portfolio underspends at year end into this reserve.**

100. Review of the political balance on committees and Panels

The Lord Mayor said that in response to the recommendations set out in the report submitted by the Chief Executive and as a result of agreement between those concerned, a written proposal had been received from the Leader which had been circulated in the chamber.

It was

Proposed by Councillor Donna Jones
Seconded by Councillor Luke Stubbs

"To adopt the overall political balance and allocation of seats as set out in the chief executive's report, and agree the following change which has the agreement of all those affected -

That the extra Conservative seat be allocated on the Education, Children and Young Peoples Scrutiny Panel, but this extra seat will be gifted from the Conservative Group's allocation on that Panel to Councillor Godier as a non-aligned member, so that he remains a member of the above Scrutiny Panel.

Note Councillor Godier's two other seats within his arithmetical allocation will continue to be on the Licensing Committee and the Traffic Environment and Community Safety Scrutiny Panel."

Upon being put to the vote this was CARRIED.

RESOLVED that Council

Adopted the overall political balance and allocation of seats as set out in the chief executive's report, and agreed the following change which has the agreement of all those affected -

That the extra Conservative seat be allocated on the Education, Children and Young Peoples Scrutiny Panel, but this extra seat will be gifted from the Conservative Group's allocation on that Panel to Councillor Godier as a non-aligned member, so that he remains a member of the above Scrutiny Panel.

² Assuming that the transfer of £500,000 to the Voluntary Sector Capacity and Transition Fund as recommended in the report is approved

Note Councillor Godier's two other seats within his arithmetical allocation will continue to be on the Licensing Committee and the Traffic Environment and Community Safety Scrutiny Panel.

Notices of Motion

101. Notice of Motion (a) - Contamination of Oceans

It was

Proposed by Councillor Dave Ashmore
Seconded by Councillor Ben Dowling

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

Upon being put to the vote this was CARRIED.

It was

Proposed by Councillor Dave Ashmore
Seconded by Councillor Ben Dowling

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

As an amendment it was

Proposed by Councillor Luke Stubbs
Seconded by Councillor Linda Symes

To delete the last two paragraphs and replace with:

Council thanks the Cabinet Member for Environment and Community Safety for having already written on behalf of the Council to the Rt Hon Michael Gove MP back in November on this issue, and more recently to the city's two Members of Parliament, Stephen Morgan MP and Penny Mordaunt MP, highlighting concerns around plastic, plastic microfiber contamination and waste going into the oceans, as well as highlighting additional issues around water quality in and around our harbours (the causes which fall outside of the control of the City Council) which too often affect the classification of our seabeds, and in turn our local fishermen's livelihoods.

The proposer of the original motion agreed to subsume into it the amendment standing in the name of Councillor Luke Stubbs. Upon the substantive motion being put to the vote this was CARRIED.

RESOLVED that the following Notice of Motion as amended be adopted

"As Portsmouth is the UK's only island city meaning we are surrounded by water, this Council is invested in ensuring we have safe, clean and environmentally friendly waters for the people, animals and plant life of Portsmouth.

Council notes the National Federation of Women's Institutes' new campaign concerning the contamination of the oceans from microplastic fibres, which passed with an overwhelming 98.9% majority at the 2017 WI Annual Meeting.

Microplastic fibres are small plastic fragments 5 mm or smaller that are shed from synthetic clothes when laundered and end up in the sea and wider environment. The scale of the problem is large; millions of people wash their clothes every week, shedding these tiny particles that are too small to be caught by the machine's filters, flowing into the sewage system and eventually into the ocean. Due to their small size, microplastic fibres are readily ingested by aquatic life, filling up their stomachs which can eventually cause death. We also know that the plastic fibres attract toxins and harmful chemical pollutants which then end up in the food we eat, the long-term effects of which are not yet clear.

Given the scale of the problem, there is an urgent need for more research to identify and develop potential solutions. We need to better understand the long term impact of microplastic fibres on the marine environment, develop a deeper understanding about why different textiles perform differently when washed, and to identify ways to prevent fibres being released into the water supply.

Council thanks the Cabinet Member for Environment and Community Safety for having already written on behalf of the Council to the Rt Hon Michael Gove MP back in November on this issue, and more recently to the city's two Members of Parliament, Stephen Morgan MP and Penny Mordaunt MP, highlighting concerns around plastic, plastic microfiber contamination and waste going into the oceans, as well as highlighting additional issues around water quality in and around our harbours (the causes which fall outside of the control of the City Council), which too often affect the classification of our seabeds, and in turn our local fishermen's livelihoods."

102. Notice of Motion (b) - Government Funding for Cladding Council Buildings

It was

Proposed by Councillor Tom Wood
Seconded by Councillor Leo Madden

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

This was agreed.

It was

Proposed by Councillor Tom Wood
Seconded by Councillor Leo Madden

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

As an amendment it was

Proposed by Councillor Ryan Brent
Seconded by Councillor Jennie Brent

That "In the second paragraph, first sentence

Delete "and Hampshire Fire Service"

Also in the second paragraph delete "and put in place" and replace with ". The council also wishes to thank Hampshire Fire Service for facilitating"

Delete from bullet point numbered 2 " abandoned this commitment and" and replace with "now indicated that it now".

Delete bullet point numbered 3

Delete from paragraph seven "condemns the decision" and replace with "notes the action"

Also delete from paragraph seven "to U-turn on his commitment" and replace with "further notes the ongoing discussions between DCLG and officers of Portsmouth City Council."

Delete from paragraph eight "calls on the Leader of the Council to lead a cross party delegation to" and replace with " requests the Chief Executive to write a letter to the chairman of the LGA, the City's MPs and"

Also delete from paragraph eight "asking him to honour his commitment and provide funding to Portsmouth City Council for" and replace with "to ask Government to fund"

Upon being put to the vote, the amendment standing in the name of Councillor Ryan Brent was CARRIED.

Upon the substantive motion being put to the vote this was CARRIED

RESOLVED that

Council is very concerned by the events at Grenfell Tower and offers it condolences to those who lost family members and loved ones in the fire.

Council thanks Housing Officers for their outstanding work to start to remove the cladding for Horatia House and Leamington House. The council also wishes to thank Hampshire Fire Service for facilitating additional measures to ensure residents safety while the cladding is being removed.

Council notes that

- 1. the Government initially promised to cover the costs of works necessary as a result of Grenfell, and particularly that the Secretary of State for Communities and Local Government promised on the 16th June that the government would do “whatever is required” to support works necessary as a result of the Grenfell disaster.**
- 2. That government has now indicated that it now intends only to provide Councils with “financial flexibilities” and not actual grants.**

Council reaffirms that no matter what decisions the government makes the work to ensure Horatia House and Leamington House are as safe as possible must and will continue.

The council notes the action by the Secretary of State and further notes the ongoing discussions between DCLG and officers of Portsmouth City Council.

Council requests the Chief Executive to write a letter to the chairman of the LGA, the City's MPs and the Secretary of State for Communities and Local Government to ask Government to fund the works on Horatia and Leamington House.

103. Questions from Members under Standing Order No 17

There were no questions before council.

At the end of the meeting, the Lord Mayor took the opportunity to wish everyone a Happy Christmas and New Year.

The meeting concluded at 6.35 pm.

.....
Lord Mayor

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AGENDA ITEM 7 - Portsmouth City Council Revenue Budget 2018/19 - Savings Proposals

Amendment to Cabinet recommendations attached.

Proposed by (Name) , Councillor Hugh Mason

Signed _____ 

Seconded by (Name) Councillor Ben Dowling

Signed _____ 

Amendment proposed by the Liberal Democrat Group

Portsmouth City Council Revenue Budget 2018/19 - Savings Proposals

That the recommendations of the Cabinet of 11th December 2017 (Minute 52/17) on "Portsmouth City Council Revenue Budget 2018/19 - Savings Proposals" be amended as follows:-

Recommendation 1 of the Cabinet be amended to:-

- (d) The savings proposals for each Portfolio amounting, in total, to £4.0m for 2018/19 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	2018/19	2019/20 & Future Years
	£	£
Children's Social Care	0	0
Culture, Leisure and Sport	272,300	267,300
Education	180,000	180,000
Environment and Community Safety	(78,000)	(189,000)
Health and Social Care - Adult Social Care	860,600	860,600
Health and Social Care - Public Health	236,000	236,000
Housing	104,000	108,000
Planning Regeneration and Economic Development	815,100	815,100
Resources	890,000	826,000
Traffic and Transportation	451,000	627,000
Other Expenditure	269,000	269,000
Grand Total	4,000,000	4,000,000

Recommendation 2 of the Cabinet be amended to:-

- (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	2018/19	2019/20& Future Years
		£	£
Resources			
Reduction in Administrative Support across Departments	Reduction in the capacity, availability and accessibility of some key persons. Some key people will spend a meaningful proportion of their time on administrative functions.	(92,000)	(92,000)
Reduction in Support Services across Departments	A reduction in capacity will present a risk to the organisation including a reduction in the advice available on professional and technical matters and may compromise the ability to deliver savings in other areas of the council.	(105,000)	(105,000)
Traffic & Transportation			
Re-instatement of MB <u>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.	(34,000)	(49,000)
Re-instatement of MC <u>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.	(75,000)	(98,000)

Indicative Portfolio Savings Proposal	Impact on Level of Service & Service Outcomes	2018/19	2019/20& 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>	Expected to lead to additional parking demand in adjacent areas as a consequence of displacement.	(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 - boundary Grove Road South, Elm Grove, Merton/Nelson Road and Victoria Road South:</u> (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.	(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>	Expected to lead to additional parking demand in adjacent areas as a consequence of displacement.	(15,000)	(45,000)

Indicative Portfolio Savings Proposal	Impact on Level of Service & Service Outcomes	2018/19	2019/20& 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: (Area 5 of the Five Zone Survey of Central Southsea 2014)</u>	Expected to lead to additional parking demand in adjacent areas as a consequence of displacement.	(52,000)	(106,000)
Total		(393,000)	(569,000)

(k) In arriving at the savings proposals for each Portfolio as recommended in paragraph 1(d), the following amounts have been **added to cash limits**:

Saving No.	Increases to Portfolio Cash Limits	2018/19	2019/20 & Future Years
		£	£
Culture, Leisure & Sport			
New	Additional open access music events across the City	5,000	10,000
Environment & Community Safety			
New	Additional cleaning for district shopping centres	67,000	73,000
New	2 and rising to 3 additional Enforcement Officers/Wardens	74,000	111,000
New	Phased re-instatement of Domestic Violence Service	70,000	138,000
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
Housing			
New	Provision of lockers for homeless people to store their belongings (in a civic site to be determined)	5,000	1,000

Saving No.	Increases to Portfolio Cash Limits	2018/19	2019/20 & Future Years
		£	£
Resources			
New	Grant to Off the Record	40,000	40,000
New	Commencing in October 2018, an 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	65,000	129,000
Traffic & Transportation			
New	Re-instatement of Dial-A-Ride service	50,000	50,000
Total		393,000	569,000

- (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 2018/19.
- (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 2018/19 - Savings Proposals

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

	2018/19 £	2019/20 & Future Years £
Additional Savings Proposals:	(393,000)	(569,000)
Re-instatement of Savings Proposals and / or New Spending Proposals:	393,000	569,000
Total Overall Change	0	0

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Agenda Item 7



Portsmouth
CITY COUNCIL

Agenda item:

Decision maker: City Council

Subject: Portsmouth City Council - Budget & Council Tax 2018/19 & Medium Term Budget Forecast 2019/20 to 2021/22

Date of decision: 12 February 2018 (Cabinet)
13 February 2018 (City Council)

Report by: Director of Finance & Information Technology (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 2018/19 that provides for £4m of savings, a Council Tax increase of 4.49% (1.5% of which is raised specifically to be passported to Adult Social Care) and forecasts that the 3 year period beyond 2018/19 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 until 2020/21 at least. In parallel, the largest spending services of Local Government services (such as Adult Social Care and Children's Social Care, amounting to 53% of the Council's controllable spending) face continued and significant cost pressures. For Adult Social Care at least, substantial flexibility is available to Local Councils through the Adult Social Care precept (the ability to increase Council Tax to directly support Adult Social Care by up to 6% over the period 2017/18 to 2019/20) and the £7.8m Improved Better Care Fund.
- 1.3 Over the past 7 years (since 2011/12), Central Government funding to Portsmouth City Council has reduced by over £73m (amounting to a funding reduction of 48%). Taken together with other financial pressures, total savings over the period of £94m have been made by the Council, representing circa 44% of the Council's controllable spending.

- 1.4 Historically, Adult Social Care and Children's Social Care (accounting for 53% of the Council's total spending) have received significant protection from savings over the period.
- 1.5 The Government published the provisional Local Government Finance Settlement 2018/19 in December 2017 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 remaining two year period of the Settlement to 2019/20 of £13.3m representing a funding reduction of 46%. Whilst a £13.3m 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 2017 Council meeting.
- 1.6 The City Council made a series of Budget decisions in December 2017 that were strongly aligned with the new Medium Term Financial Strategy and the outcome of the Budget Consultation. 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. The Administration's proposals for the £4m Budget Savings for 2018/19 are summarised as follows:

(i) Savings analysis:

Description of Saving	Savings	
Efficiency Savings (little or no reduction in Services)	£2.4m	60%
Additional Income	£1.4m	36%
Service Reduction	£0.2m	4%
Total	£4.0m	100%

(ii) No savings from Children's Social Care

(iii) Adult Social Care Services amounting to 1.6% of their budget compared with the average saving across all services of 2.1%

- 1.7 Taking 2018/19 together with the savings in previous years will mean that the Council will have achieved £98m of savings and efficiencies equating to 46% of the Council's controllable spending.
- 1.8 The decisions made by Council in December 2017 were predicated on increasing the level of Council Tax for 2018/19 for general purposes by 1.99% and the continuation of the opportunity to increase the level of Council Tax for an "Adult Social Care Precept" and to passport that additional funding direct to Adult Social Care to provide for otherwise unfunded cost pressures.
- 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 46% 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 In response to inflationary pressures faced by Councils (e.g. Consumer Price Index (CPI) 3.0% and Retail Price Index (RPI) 4.1%), the Provisional Local Government Finance Settlement for 2018/19 confirmed a Council Tax increase limit for general purposes (i.e. referendum threshold) of 3%. Any increase beyond the 3% threshold can only be implemented following a "Yes" vote in a local referendum. Actual inflation for the Council amounts to £3.9m and is £1.1m higher than originally forecast. The Council had originally forecast that it would increase the level of Council Tax by just 1.99% for general purposes, a further increase in Council Tax of 1% (to 2.99%) would generate a further £714,500. The proposals in this report seek to take advantage of the ability to tax for an additional 1% in order to provide a good degree of mitigation against the Council's higher inflationary costs.
- 1.11 In addition, the remaining level of Council Tax increase allowed for the Adult Social Care precept for the period 2018/19 and 2019/20 remains at 3%. The Council's forecasts are based on the full remaining 3% increase being applied in full and evenly over the next 2 years (2018/19 and 2019/20). Should the Council elect to reduce the increase from 1.5% in either 2018/19 or 2019/20, each 1% reduction will lead to a further £714,500 pressure on Adult Social Care, requiring the Service to make further savings of an equivalent sum.
- 1.12 The additional flexibility to apply 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 (which has increased by 4.4%) as well as the demographic pressures from the general aging and a "living longer" population.
- 1.13 For Portsmouth City Council, it is vital that the flexibility of the ASC Precept is taken in order to mitigate the current underlying deficit in Adult Social Care currently standing at circa £1.8m. A 1.5% increase for Adult Social Care will yield £1.1m which combined with the use of the £7.8m Improved Better Care Fund to support spend to save initiatives to reduce costs in the future, will provide the means by which to eliminate the deficit in Adult Social Care. The alternative to the tax increase would be to increase the level of savings required by the Service.
- 1.14 In proposing the Budget for 2018/19, a significant factor has been the successful application to become a 100% Business Rate Retention Pilot for 2018/19 in a pooled arrangement with the Isle of Wight Council and Southampton City Council. The arrangement is one where both risks and rewards must be shared across all authorities. The scheme is intended to reduce volatility in the income from Business Rates as well as maximise the incentive to grow the business rate base. The scheme itself includes a "No Detriment" provision, meaning that the Council can be no worse off than under the current 50% retention system with its associated protections. It does however, provide the opportunity for the 3 Councils to retain 100% of any growth in Business Rates so long as it is used to:
- i) Promote financial stability and sustainability across the pooled area
 - ii) Re-invest in promoting further growth across the area
- 1.15 The pilot scheme is guaranteed for 1 year only although it is possible that it could continue thereafter so long as the 3 Councils are willing to remain in the pooled arrangement and the Government agree to an extension. In overall terms, it is

estimated that the City Council will receive the following additional sums / benefits as a direct consequence of the 100% Business Rate Retention pilot:

- i) Direct allocation for general use £3.1m
- ii) A share of the "Growth & Productivity Pot" which amounts in total to £4.2m
- iii) A distribution from the "Financial Stability Pot" amounting to £1.4m in total in the event of future Business Rate reductions

1.16 Given the "one-off" nature of the additional funding, it would not be appropriate or prudent to use this to contribute towards either the 2018/19 Savings Requirement or the Future Years forecast deficit. The proposals in this report seek to use the additional £3.1m to make a Revenue Contribution to the Capital Programme to ensure the Council can properly meet its statutory responsibilities for providing Special School Places.

1.17 Looking forward beyond 2018/19, the Council's future financial forecasts indicate a challenging position but, as a consequence of prudent financial management throughout previous years, the overall deficit has now stabilised at relatively modest levels with a forecast Budget Deficit over the period 2019/20 to 2021/22 remaining at £12m. Government funding reductions, inflation 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.

1.18 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
2019/20	4.7	4.0	4.0
2020/21	8.9	4.0	8.0
2021/22	11.9	4.0	12.0

1.19 Importantly, this level of budget deficit can only be maintained if the Council approves the proposed £4.0m of savings for 2018/19 as well as the increase in Council Tax of 4.49% for 2018/19.

1.20 The forecasts described above are the subject of a significant degree of uncertainty and particularly from 2020/21 onwards. The main causes of the uncertainty are:

- i) Whether the 100% Business Rate Retention Pilot will continue beyond 2018/19 - if it does, it could have the potential to improve the forecast by £3.1m plus a share of any further increases in Business Rates across Portsmouth, Southampton and the Isle of Wight

ii) The outcome of the Fair Funding review in 2020/21 - this could have an estimated positive or negative effect in the range of +/- £3m

- 1.21 Due to the uncertain nature of the future years' forecasts it is imperative that the Council continues to plan for £4m of savings per annum as well as maintaining sufficient General Reserves. This is a balanced approach appropriate to an eventuality where the Council's forecasts are either too pessimistic or too optimistic. For example, in the event that the 3 year forecast improves, the Council has not prematurely made a level of savings and service reductions that could have been avoided and it allows more time for savings initiatives to take effect. If the forecast deteriorates, the Council will have made good progress towards the necessary savings and have sufficient General Reserves to avoid significant "spikes" in Savings Requirements in any single year in the future.
- 1.22 Crucially, this savings strategy, as described above, can only work if the Council retains General Reserves at the levels set out in this report.
- 1.23 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. 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.
- 1.24 There are significant proposals within this report to supplement the capital resources available for investment totalling £5.1m over the period 2017/18 and 2018/19 to be used to properly fund its statutory responsibilities including School Places, Sea Defences, critical maintenance obligations to keep Council facilities open and potential match funding commitments for the City Centre Re-development. Without this funding, this essential Capital Investment will be in jeopardy.
- 1.25 Furthermore, with generally available annual capital funding of £7m versus core capital investment obligations and aspirations over the next 1 to 2 years of between £25m to £31m, 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.
- 1.26 The proposals contained within the December 2017 report and this report, now culminating in the proposed Budget for 2018/19, will:
- Provide a suite of savings amounting to £4m of which the vast majority relate to either efficiency savings (£2.4m) or additional income (£1.4m) leaving just £0.2m, or 4%, to be achieved through service reductions
 - In accordance with the Budget Consultation, provide significant protection to both Adults Social Care and Children's Social Care

- Provide for an overall Council Tax increase of 4.49% in 2018/19 comprising 2.99% for General Purposes and 1.5% to be passported direct to Adult Social Care services.
- Provide assurance that with a 1.5% increase in Council Tax for Adult Social Care that existing and emerging cost pressures can be met and mitigation provided to address the underlying deficit of £1.8m therefore avoiding any further reductions to those services in 2018/19 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 the improved Better Care Fund allocation)
- Require that for 2019/20 a minimum on-going savings sum of £4.0m be made
- Transfer a total of £4.5m across the period 2017/18 and 2018/19 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 2018/19 by making a £5.1m transfer from Revenue across the period 2017/18 and 2018/19
- Provide for any further underspendings for 2017/18 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 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

1.27 It remains a particularly challenging time for the Council, the future savings required remain significant and funding risks arising from Business Rates and the Fair Funding Review in 2020/21 are substantial. Nevertheless, the proposals contained within this report ensure that the Budget for 2018/19 is financially balanced, the savings strategy for the future is robust and sufficiently flexible under a wide range of alternative eventualities 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 2018/19 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 2018/19 and the level of Council Tax in the context of the Council's Medium Term Financial Strategy with its stated aim as follows:

OVERALL AIM

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

2.3 The recommended Budget for 2018/19 has been prepared on the basis of the decisions taken by the City Council on the 12th December 2017 relating to:

- An increase in the level of Council Tax for 2018/19 for general purposes
- A continuation of the opportunity to increase the level of Council Tax for an "Adult Social Care Precept" within the limits set by Central Government (i.e. a 3% increase phased over the financial years 2018/19 and 2019/20), and the direct passporting of that additional funding direct to Adult Social Care to provide for otherwise unfunded cost pressures.
- The approved budget savings amounting to £4m
- The approved increase of £500,000 to replenish the Voluntary Sector Capacity & Transition Fund

2.4 This report also provides a comprehensive revision of the Council's rolling 3 year future financial forecast for the new period 2019/20 to 2021/22 (i.e. compared to the previous forecast covering 2018/19 to 2020/21, this forecast now replaces the forecast for the previous 3 year period). The forecast considers the future outlook for both spending and funding, and in that context, wider recommendations are made regarding the levels of reserves to be maintained and additional contributions to the Capital Programme in order to meet the Council's 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 and uncertain financial climate facing the City Council in 2018/19 and beyond and the consequential budget deficits that result
- (b) A brief summary of the Medium Term Financial Strategy for achieving the necessary savings
- (c) A brief recap of the budget decisions taken by the City Council at its meeting of the 12th December 2017
- (d) The Revised Revenue Budget and Cash Limits for the current year
- (e) The Local Government Finance Settlement for 2018/19 to 2019/20
- (f) The Business Rate income for 2018/19 and future years and the financial effect of joining the 100% Business Rate Retention Pilot in a pooled arrangement with the Isle of Wight Council and Southampton City Council
- (g) The Council Tax base and recommended Council Tax for 2018/19
- (h) The forecast Collection Fund balance as at 31 March 2018 for both Council Tax and Business Rates
- (i) The proposed Revenue Budget and Cash Limits for 2018/19
- (j) The forecast Revenue Budget and revised Savings Requirements for 2019/20, 2020/21 and 2021/22
- (k) Estimated General Reserves over the period 2017/18 to 2021/22
- (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:

- (b) The revised Revenue Estimates for the financial year 2017/18 and the Revenue Estimates for the financial year 2018/19 as set out in the General Fund Summary (Appendix A)
- (c) The Portfolio Cash Limits for the Revised Budget for 2017/18 and Budget for 2018/19 as set out in Sections 7 and 9, respectively
- (d) That £2.0m be transferred to the Revenue Reserve for Capital in 2017/18 to supplement the resources available for the Capital Programme to enable the Council to increase the Capital Resources available to properly fund its statutory responsibilities including School Places, Sea Defences, critical maintenance obligations and potential match funding commitments for the City Centre Re-development

- (e) The additional £3.1m received from the Business Rate Retention Pilot (currently guaranteed for 1 year only) be used to enable the Council to make a Revenue Contribution to the Capital Programme to ensure the Council can properly meet its statutory responsibilities for providing Special School Places
- (f) That £2.0m be transferred to the MTRS Reserve in 2017/18 and a further £2.5m in 2018/19 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
- (g) That £1.7m is carried forward from 2017/18 to 2018/19 in respect of contingent items that were expected to arise in 2017/18 but are now expected to occur in 2018/19
- (h) Any further underspendings for 2017/18 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 Sea Defences and the enabling transport infrastructure necessary for the City's development and growth which have, as yet, insufficient funding
- (i) 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.
- (j) The S.151 be given delegated authority to enter into the Solent¹ 100% Business Rates Retention Pilot agreement with the Department for Communities and Local Government
- (k) The S.151 Officer be given delegated authority to make any necessary adjustments to Cash Limits within the overall approved Budget and Budget Forecasts
- (l) That the level of Council Tax be increased by 2.99% for general purposes in accordance with the referendum threshold² for 2018/19 announced by Government (as calculated in recommendation 3.4 (d))
- (m) That the level of Council Tax be increased by a further 1.5% beyond the referendum threshold (as calculated in recommendation 3.4 (d)) to take advantage of the flexibility offered by Government to implement a "Social Care Precept"; and that in accordance with the conditions of that flexibility, the full amount of the associated sum generated of £1,071,700 is passported direct to Adult Social Care
- (n) Managers be authorised to incur routine expenditure against the Cash Limits for 2018/19 as set out in Section 9
- (o) That the savings requirement for 2019/20 be set at a minimum on-going sum of £4.0m
- (p) 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

¹ Includes Isle of Wight Council, Portsmouth City Council and Southampton City Council

² Council Tax increases beyond the referendum threshold can only be implemented following a "Yes" vote in a local referendum

- (q) 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
- (r) The minimum level of General Reserves as at 31 March 2019 be maintained at £8.0m (£7.0m in 2017/18) to reflect the known and expected budget and financial risks to the Council
- (s) 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 0.

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

- (a) The Revenue Estimates 2018/19 as set out in Appendix A have been prepared on the basis that the 1.5% tax increase for the "Social Care Precept" (amounting to £1,071,700) and this is passported to Adult Social Care in order to provide for otherwise unfunded budget pressures including the current underlying budget deficit, the cost of the 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 1.5% tax increase (amounting to £714,500 for each 1%) is not taken, then equivalent savings will need to be made in Adult Social Care in 2018/19
- (c) In general, due to the additional costs of the Pay Award and inflation generally amounting to an additional £1.1m, any reduction from the 4.49% Council Tax increase proposed will require additional savings of £714,500 for each 1% reduction in order for the Budget 2018/19 to be approved
- (d) The Revenue Forecast for 2019/20 onwards as set out in Section 10 and Appendix B
- (e) The estimated Savings Requirement of £12m for the three year period 2019/20 to 2021/22, for financial and service planning purposes, be phased as follows:

Financial Year	In Year Savings Requirement £m	Cumulative Saving £m
2019/20	4.0	4.0
2020/21	4.0	8.0
2021/22	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 £4.8m³ 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

³ Including the transfer into the reserve of £4.5m contained with the recommendations in this report

- (g) The Council Tax element of the Collection Fund for 2017/18 is estimated to be a surplus of £1,210,318 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 2017/18 is estimated to be a surplus of £1,114,662 which is shared between the City Council (49%), the Government (50%) and the Hampshire Fire & Rescue Authority (1%)
- (i) The Retained Business Rate income⁴ for 2018/19 is based on the estimated Business Rate element of the Collection Fund surplus as at March 2017, the Non Domestic Rates poundage for 2018/19 and estimated rateable values for 2018/19 and has determined at £73,567,319

3.3 That the S.151 Officer has determined that the Council Tax base for the financial year 2018/19 will be **55,857.4** [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 2018/19 in accordance with Section 31 and Sections 34 to 36 of the Local Government Finance Act 1992:

(a)	£486,934,953	Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act.
(b)	£412,275,394	Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
(c)	£74,659,559	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)	£1,336.61	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.

⁴ Including the Portsmouth City Council element of the Collection Fund surplus of £546,184, S31 Grants of £6,008,979, the "Tariff" paid to Government of £17,157,504 and the contributions to the "Growth Pool" of £4,853,053 and from the "Growth Pool" of £3,094,522

(e) Valuation Bands (Portsmouth City Council)

A £	B £	C £	D £	E £	F £	G £	H £
891.07	1,039.59	1,188.10	1,336.61	1,633.63	1,930.66	2,227.68	2,673.22

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 2018/19 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 £
118.31	138.02	157.74	177.46	216.90	256.33	295.77	354.92

- 3.6 That it be noted that for the financial year 2018/19 Hampshire Fire and Rescue Authority are recommended to approve 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 £
43.83	51.13	58.44	65.74	80.35	94.96	109.57	131.48

- 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 2018/19 for each of the categories of dwellings shown below:

Valuation Bands (Total Council Tax)

A £	B £	C £	D £	E £	F £	G £	H £
1,053.21	1,228.74	1,404.28	1,579.81	1,930.88	2,281.95	2,633.02	3,159.62

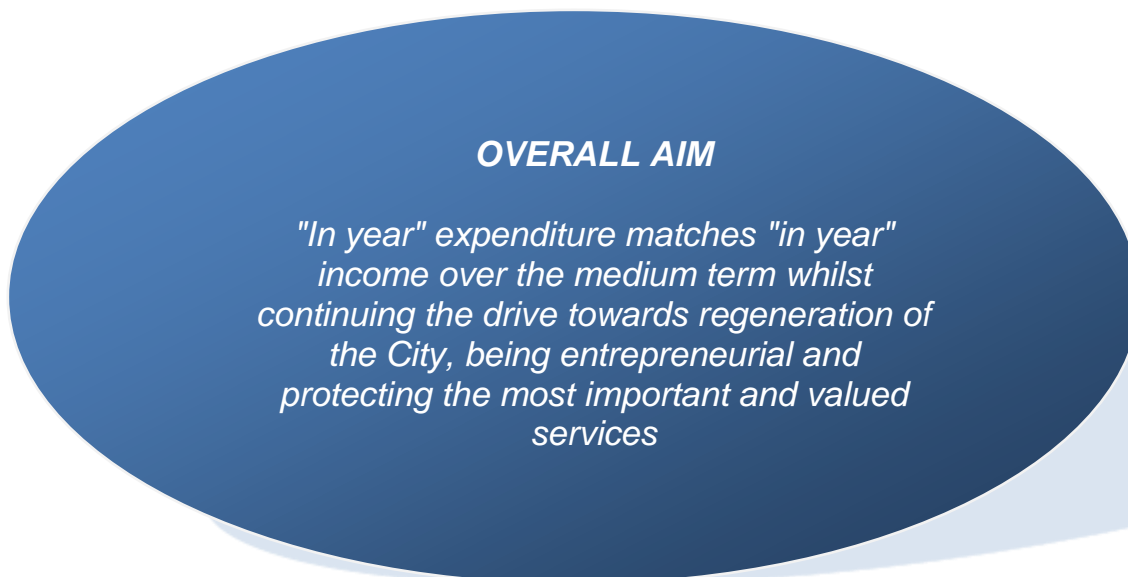
- 3.8 The Council determines in accordance with Section 52ZB of the Local Government Finance Act 1992 that the Council's basic amount of Council Tax for 2018/19, which represents a 4.49% increase, is not excessive in accordance with the principles approved by the Secretary of State under Section 52ZC of the Act; and it be noted that:
- i) The 4.49% increase includes a 1.5% increase to support the delivery of Adult Social Care
 - ii) As the billing authority, the Council has not been notified by a major precepting authority (the Police and Crime Commissioner for Hampshire or the Hampshire Fire & Rescue Authority) that its relevant basic amount of Council Tax for 2018/19 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 forecasts for the national public finances set out in the Autumn Budget recently are expected to improve for this financial year and next year and then worsen over the subsequent 3 years compared with the Spring 2017 projections. The worsening position is largely due to the lower forecasts of growth over the period to 2021/22 resulting in lower than expected tax receipts, higher debt levels and increased public sector spending (mainly additional revenue funding of £2.8bn for the NHS).
- 4.2 Additional capital funding for infrastructure was announced in the Autumn Budget, mainly targeted at improving transport connectivity and housing delivery, these being funded by a £1.7bn Transforming Cities Fund (half of which was allocated directly to Mayoral Combined Authorities rather than through competition), a £1.1bn Land Assembly Fund and an additional £2.7bn for the existing Housing Infrastructure Fund.
- 4.3 Despite the worsening position for the national public finances, the Office for Budget Responsibility still forecasts that the Government remains on track to meet its fiscal rules (i.e. remain within an annual deficit of 3% of GDP).
- 4.4 The Autumn Budget has left Government Departmental Spending limits unaltered and the recent Provisional Local Government Finance Settlement left the 4 year Funding Settlement that the Council accepted intact.
- 4.5 Measures intended to greater incentivise bringing empty properties back into use were also announced. This enables Local Authorities to increase the Council Tax premium (currently 150%) to 200%. It is expected however that this will require primary legislation and therefore will not be available to be applied until April 2019.
- 4.6 Over the past 7 years (since 2011/12), Central Government funding to Portsmouth City Council has reduced by over £73m (amounting a 48% reduction in total Government Funding). 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 £94m, representing circa 44% of the Council's net controllable spending.
- 4.7 This report includes a new financial forecast for the next 3 year period covering both expenditure and funding to 2021/22 after taking account of the £4.0m savings decisions made by the City Council in December 2017 and incorporating the further financial year of 2021/22. Taking the £4m of savings approved for 2018/19 together with the savings in previous years will mean that the Council will have achieved £98m of savings and efficiencies equating to 46% of the Council's controllable spending.

5 Medium Term Financial Strategy and Budget Decisions 2018/19

- 5.1 In response to the considerable financial challenge, the City Council approved a Medium Term Financial Strategy (for both revenue and capital) with a strong focus on regeneration and entrepreneurial activities and therefore providing income generation as a means to make savings and avoid cuts to services. This is illustrated below:



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

5.3 Despite the challenging financial circumstances, the City Council made a series of Budget decisions in December 2017 that were strongly aligned with that strategy.

5.4 The proposed £4m of savings are characterised as follows:

Description of Saving	Savings	
	£	%
Efficiency Savings (little or no reduction in Services)	£2.4m	60%
Additional Income	£1.4m	36%
Service Reduction	£0.2m	4%
Total	£4.0m	100%

5.5 For 2018/19, Efficiency Savings account for 60% of the proposed savings, with 36% relating to Additional Income and just 4% Service Reduction measures.

5.6 The key Budget decisions made included:

- A balanced suite of savings amounting to £4.0m (of the original forecast £12.0m⁵ required over the 3 year period 2018/19 to 2020/21) which, in accordance with the Budget Consultation, provided significant protection to the vulnerable. By way of example, the average saving required across the Council was 2.1% of spending but to fully protect Children's Social Care (at 0.0% budget reductions) and Health & Social Care - Adult Social Care (at 1.6% budget reductions), it has been necessary to make spending reductions / additional income in other valued Portfolios of up to 9.8% as described below:

Portfolio / Committee	Savings Proposal	
	£	% Budget
Children's Social Care	0	0.0%
Culture, Leisure & Sport	277,300	2.8%
Education	180,000	2.8%
Environment & Community Safety	150,000	0.9%
Health & Social Care - Adults Social Care*	860,600	1.6%
Health & Social Care - Public Health	236,000	1.9%
Housing	109,000	2.1%
Planning, Regeneration & Economic Development	815,100	9.8%
Resources	798,000	2.5%
Traffic & Transportation	305,000	2.3%
Other Expenditure (incl. Debt Repayment)	269,000	6.5%
Grand Total	4,000,000	2.1%

* Excludes the additional funding passported through the Adult Social Care Precept of £1.07m and additional funding from the Improved Better Care Fund of £2.54m meaning that in cash terms there is an increase in funding available to Adult Social Care

- An increase in the level of Council Tax for 2018/19 for general purposes of 1.99% (this has now been revised as part of the proposals within this report)

⁵ Assuming a general Council Tax increase of 1.99% p.a. Should the Council Tax not be increased by 1.99%, then each 1% change will add £0.715m to the savings requirement

- A continuation of the opportunity to increase the level of Council Tax for an "Adult Social Care Precept" within the limits set by Central Government (i.e. a 3% increase phased over the financial years 2018/19 and 2019/20), and the direct passporting of that additional funding direct to Adult Social Care to provide for otherwise unfunded cost pressures.
- An increase of £500,000 to replenish the Voluntary Sector Capacity & Transition Fund.

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

- Meet its £4.0m savings requirement, consistent with the Budget Consultation and largely avoiding service reductions
- Provide real growth in funding to Adult Social Care (after passporting the ASC Precept and Improved Better Care funding)
- Provide full protection to Children's Services from savings
- Maintain the overall financial health of the Council for the future financial challenge and uncertainties ahead

6 Revised Budget 2017/18

- 6.1 The original revenue Budget approved by the City Council on 9 February 2017 was £161,643,000.
- 6.2 The Cabinet has received regular quarterly Budget Monitoring reports on the 2017/18 Budget throughout the year which have consistently reported a forecast underspend for the year. That forecast underspend has largely resulted from an improved position on Treasury Management activities and additional income from the Council's Commercial Property Portfolio.
- 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 £0.9m and £2.4m, respectively. This has been offset by contingency provision specifically set aside for this eventuality of £2.1m. 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 £3.6m and this will need to be remedied in 2018/19.
- 6.4 For Adult Social Care, a key part of the strategy to minimise their underlying deficit will be to take advantage of the flexibility to increase the level of Council Tax by 1.5% for the Adult Social Care Precept, raising £1.1m in 2018/19. The other key element of the deficit reduction strategy is the use of the additional "Improved Better Care" funding of £7.8m announced in the Spring Budget 2017 to be used as a "Spend to Save" or "Spend to Avoid Cost" fund.
- 6.5 For Children's Social Care, a plan is in place to reduce that deficit which focusses on increasing the number of Social Workers to provide more targeted and intensive

support as a mechanism to reduce the number of Looked After Children in the system alongside plans to reduce the number of Children in expensive Out of City residential placements. Additionally, no savings are proposed from Children's Social Care for 2018/19 whilst the deficit reduction measures are in place.

- 6.6 The measures described above are being planned in order to eliminate these deficits and place their budgets on a sound footing for 2018/19. Nevertheless, risks to delivery will remain and the Council will need to ensure that adequate contingency provision is made to cover that eventuality.
- 6.7 In overall terms, taking account of the forecast under and overspendings described above, the 2017/18 Budget is forecast to remain in balance.
- 6.8 The Original Budget has now been comprehensively revised and it is proposed to increase the Budget to £161,941,000, an increase of £298,000. Whilst overall spending has increased, overall funding has more than offset the additional spending resulting in a net improvement in the Council's 2017/18 financial position. Consequently, the transfer to General Reserves will increase from an originally estimated £584,000 to £1,389,000 - an overall improvement of £805,000. The overall improvement transferring into General Reserves now being available to part fund the recommended carry forward proposals in the next financial year.
- 6.9 Significant changes to the Original Budget now being proposed as part of the Revised budget are as follows:
- Forecast losses at MMD amounting to £3.6m arising largely from the termination of the Geest contract with associated lost income and "one-off" redundancy costs. It is anticipated that MMD will return to profit in its own right in 2019/20 but this will be predicated on additional Capital Investment during 2018/19 (approval to invest will be the subject of a further report incorporating a comprehensive Business Case and Investment Appraisal). A net benefit to the Council as a whole still arises in 2018/19 onwards when all income streams associated with MMD are taken into account (i.e. the sums paid over to the City Council annually for rent and tonnage dues etc.). A 20 year forecasts demonstrates that there will continue to be a net benefit from retaining MMD. Nevertheless, before any investment proposal is put before the Council, a comprehensive evaluation of all other realistic uses for the site will be undertaken (including "Do Nothing", sale or alternative use for the site) to determine which alternative provides the best return on the land asset for an acceptable level of risk
 - Reduction in the Council's Contingency provision of £2.4m in 2017/18 which is related to contingent risks that were expected to arise in 2017/18. It is now expected that £1.7m of these risks are expected to occur in 2018/19 and therefore this sum is proposed to be carried forward into the 2018/19 Budget
 - A change in the accounting treatment relating to the Wightlink "sale and lease back" arrangement to Canada Life, the substance of which is a loan. This relieves the Council of charging the "lease payments" to the Council's Revenue Budget and deferring them until the point at which any assets acquired with the loan financing are sold - £2.1m saving per annum

- Improvement in Treasury Management activities of £0.8m
- A contribution to the Revenue Reserve for Capital of £2.0m to enable the Council to increase the Capital Resources available to properly fund its statutory responsibilities including School Places, Sea Defences, critical maintenance obligations and potential match funding commitments for the City Centre Re-development
- A contribution to the MTRS Reserve of £2.0m 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 2021/22 is estimated at just £0.3m

6.10 Additionally, the Council's remaining contingency provision for 2017/18 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.

6.11 As described in the Capital Programme 2017/18 to 2022/23 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
School Condition (roofs, boilers, electrics, windows etc.)	2.0 - 4.0
Camber Quay Berth 4 Replacement	1.7 - 2.0
Enabling Transport Infrastructure match funding - City development (next 5-10 years)	7.5
Sea Defences	6.0
Landlords Repairs & Maintenance	2.5 - 4.0
Local Transport Plan - Road safety and traffic improvement schemes	1.5 - 2.0
Digital Strategy (including moving to cloud based Information Technology systems)	4.0 - 5.5
Total Funding Requirement	25.2 - 31.0

6.12 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 £7m per annum) plus any Government funding which may be available for school places. With core capital funding of £7m potentially available versus core obligations and aspirations of between £25m to £31m of Capital Investment, there is a hugely significant shortfall to be met.

6.13 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 2017/18 and 2018/19 of £5.1m (as previously described) and also transfers any further

underspendings for 2017/18 arising at the year-end to Capital. Without this funding, essential Capital Investment into School Places, Sea Defences, Maintenance of Council facilities and the City Centre Road will be at risk.

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

7 Revised Cash Limits 2017/18

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 2017/18 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 2017/18 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 2017/18 £'000	Items Outside the Cash Limit £'000	Revised Budget 2017/18 £'000
Children's Services	24,088	105	24,193
Culture Leisure & Sport	5,218	3,870	9,088
Education	5,530	18,989	24,519
Environment & Community Safety	14,186	1,783	15,969
Health & Social Care	42,824	3,314	46,138
Housing	2,538	5,743	8,281
Leader	124	20	144
Planning Regeneration Economic Development	(17,486)	13,041	(4,445)
Resources	18,213	4,244	22,457
Traffic & Transportation	15,974	684	16,658
Governance & Audit Committee	98	49	147
Licensing Committee	(232)	16	(216)
PORTFOLIO EXPENDITURE	111,075	51,858	162,933

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 2018/19

8.1 At last year's Annual Budget Meeting in February 2017, forecasts for this coming financial year 2018/19 and the subsequent two financial years estimated that an overall 3 year savings requirement of £12m would be necessary to meet the budget deficits over that period⁶. The forecasts for the 3 year period were prepared on the basis of the following:

- A reduction in Government Funding of £12.4m
- Adult Social Care pressures of £4.4m
- Inflationary costs of £9.0m

Offset by:

- Additional income from Council Tax of £5.0m⁷
- Increase in Business Rate Income of £2.9m
- Other net improvements amounting to £5.9m

8.2 Since those forecasts were prepared in February last year, the Council has now received the Local Government Finance Settlement for 2018/19 and has been successful in its application to become a 100% Business Rate Retention pilot in a pooled arrangement with the Isle of Wight Council and Southampton City Council (as described more fully later in this report). Significant inflationary pressures have also been experienced which have had a negative impact on the Council's financial position. These and all other elements of funding and spending have now been comprehensively reviewed which include the following:

Funding

- Central Government Funding (Local Government Finance Settlement)
- Business Rate Income (including the impact of the 100% Business Rate Retention pilot)
- Council Tax Income

Expenditure

- Savings proposals (agreed by the City Council in December 2017)
- 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

⁶ This assumed Council Tax increases of 1.99% per annum from 2018/19 to 2021/22 for General Purposes and a further 3.0% for the ASC Precept over the period 2018/19 to 2019/20. Each 1 % reduction in Council Tax will add £714,500 to the forecast deficit.

⁷ This assumed Council Tax increases of 1.99% per annum from 2018/19 to 2021/22 for General Purposes and a further 3.0% for the ASC Precept over the period 2018/19 to 2019/20.

8.3 As reported to the City Council in December 2017, the advice of the S.151 Officer was that "whilst it is likely that the overall financial forecasts will change, the savings requirement for 2018/19 at £4.0m remains robust and prudent but only on the basis of the Council Tax proposals set out within this report. 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.

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

Local Government Finance Settlement 2018/19 to 2020/21

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 19 December 2017 and the final settlement will be announced in mid February 2017.

Provisional Settlement 2018/19

8.6 The Council resolved to accept the Government's 4 year Settlement in October 2016 which was 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 2018/19 in December 2017 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 remaining 2 year period of the 4 year Settlement of £13.3m representing a funding reduction of 46%. Of most significance are the reductions in Revenue Support Grant totalling £10.8m. This is all summarised in the table below:

Funding Stream	2017/18	2018/19	2019/20	Total Reduction
	£m	£m	£m	£m
Revenue Support Grant	22.3	0.0*	11.5	(10.8)
Other Grants ⁸	6.4	4.3	3.9	(2.5)
Total Government Grants	28.7	4.3	15.4	(13.3)

* Relinquished in full (£17.0m) in return for 100% Business Rates Retention in 2018/19 only

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 Excludes Highways all PFI Grants and Business Rate S31 Grants.

8.10 The overall impact of the provisional Local Government Finance Settlement on the Council's future forecast Budget Deficit over the 2 year period to 2019/20 is broadly neutral and whilst the overall reduction of funding to 2019/20 amounting to £13.3m 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:

- Revenue Support Grant - There is no change to the distribution methodology for 2018/19
- Council Tax:
 - The basic referendum principle of a 3% increase is confirmed
 - Adults Social Care Precept remains intact (6% increase over the 3 years 2017/18 to 2019/20).
 - Police Council Tax can increase by a maximum of £12 (which for Hampshire equates to a 7.25% increase in their share of the Council Tax)
 - Referendum principles (Council Tax capping) for Town and Parish Councils have been deferred for 3 years
- Planning Fees - Increases of up to 20% will be allowed but conditional upon re-investment into Planning Services
- The Government published its technical consultation on the Fair Funding review (i.e. the review of the 'needs element' embedded with the Revenue Support Grant and the Business Rates Retention system) to come into effect in 2020/21, this will be followed by further consultation documents in the future. This review represents a key uncertainty for future Council funding levels.
- The Business Rate Retention Scheme to come into effect simultaneously with the Fair Funding Review in 2020/21 will now be a 75% Business Rate Retention scheme (as opposed to the 100% Business Rate Retention Scheme previously announced). This also is a key uncertainty for the Council's future funding levels.
- The New Homes Bonus scheme remains unaltered (described below)

8.12 The scheme for the New Homes Bonus is intended to "sharpen the incentive" for housing delivery beyond a natural rate of growth and is summarised below:

- A threshold of a 0.4% increase in new homes (or "deadweight" and equivalent to 296 Band D equivalent homes) before any New Homes Bonus (NHB) will be paid
- Payments made for 4 years from 2018/19 and thereafter

8.13 The final grant settlement should be available by mid 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.

8.14 Given that the 2018/19 Local Government Finance Settlement is broadly in line with the Council's forecasts upon which the minimum £4m savings requirement was based, and subject to the approval of the Council Tax proposals contained within this report, there is no need to seek any further savings beyond those approved at the December 2017 Council meeting.

8.15 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. These are described in the paragraphs that follow.

Retained Business Rates 2018/19 & Future Forecasts

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

- i) Retention of 50%⁹ of all business rates received and which is affected by the value of successful appeals, the number of mandatory reliefs (e.g. charitable relief) and the overall collection rate (i.e. how much is uncollectable and written off)
- ii) Increased by a fixed amount "top up" which increases annually by the rate of inflation
- iii) Compensation through S.31 Grants for national government initiatives which have the effect of reducing Business Rates to the Local Authority such as business rate capping for small businesses
- iv) A "safety net" set at 7.5% below a pre-determined baseline¹⁰ below which retained Business Rates will not fall (set at £43.17m for 2018/19)

8.17 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

⁹ 49% To the City Council and 1% to the Hampshire Fire & Rescue Authority

¹⁰ Known as the Business Rates Baseline, set in 2013/14 and increased by inflation each year

financially neutral at a national level with the increase in rateable values overall offset by a reduction in the multiplier.

- 8.18 The Retained Business Rates system for Local Authorities is likewise intended to be financially neutral. Inevitably, this however 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.

100% Business Rate Retention Pilot

- 8.19 The Council has been successful in its application to become a 100% Business Rate Pilot for 2018/19 in a pooled arrangement with the Isle of Wight Council and Southampton City Council. The arrangement is one where both risks and rewards must be shared across all authorities. The scheme is intended to reduce volatility in the income from Business Rates as well as maximise the incentive to grow the business rate base. The scheme itself includes a "No Detriment" provision, meaning that the Council can be no worse off than under the current 50% retention system (previously described) with its associated protections. It does however, provide the opportunity for the 3 Councils to retain 100% of any growth in Business Rates so long as it is used to:

- i) Promote financial stability and sustainability across the pooled area
- ii) Re-invest in promoting further growth across the area

- 8.20 The pilot scheme is guaranteed for 1 year only although it is expected that it could continue thereafter so long as the 3 Councils are willing to remain in the pooled arrangement. Current 100% Business Rate pilots have had their schemes extended into 2018/19.

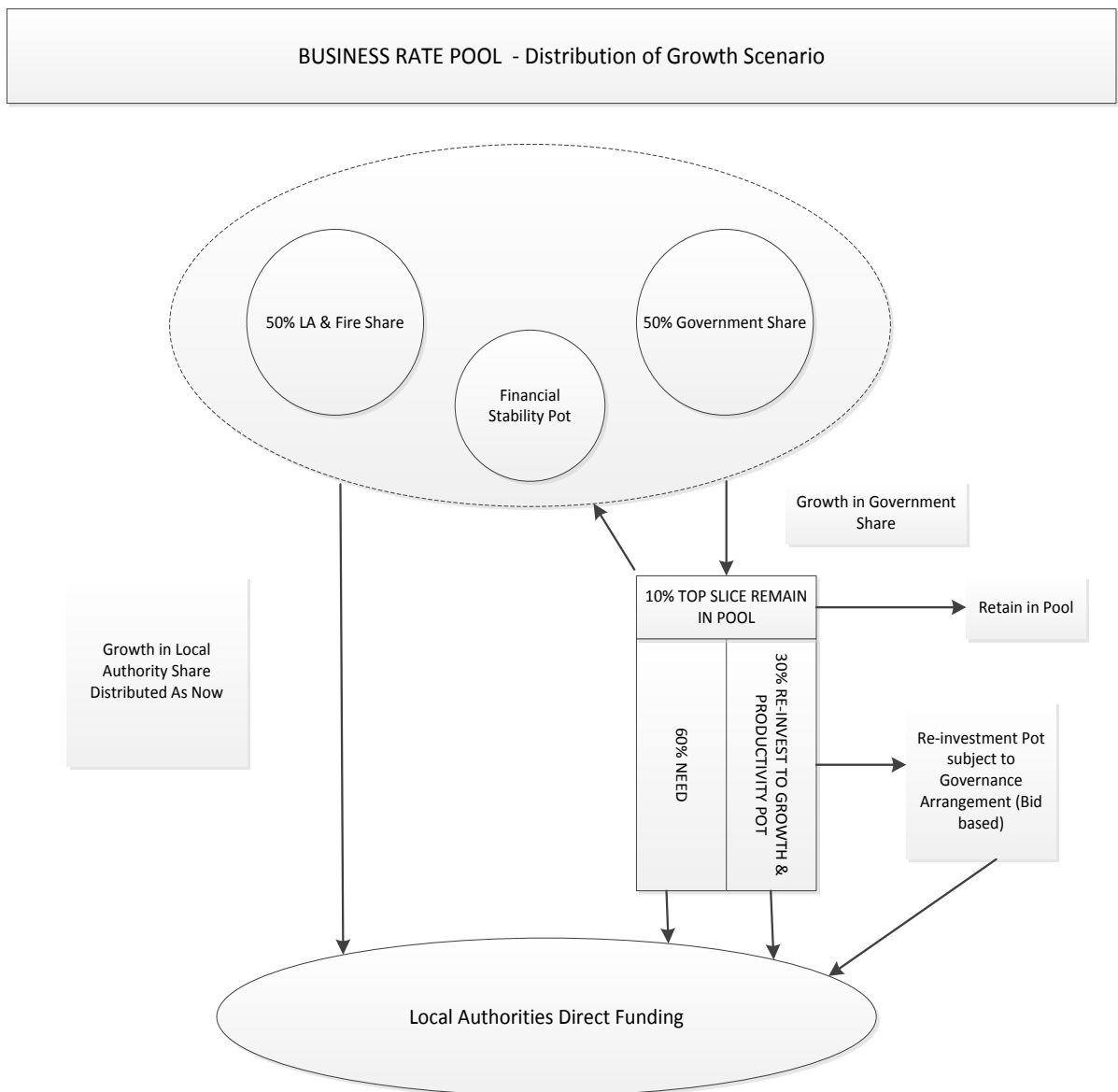
- 8.21 The scheme has been designed to retain the arrangements for the existing 50% share of business rate growth to remain intact with the relevant Councils and then for the Government's existing 50% share to be distributed through a "Growth Pool". The total "Growth Pool" that would otherwise have been passed back to Government but which is now available for distribution to the 3 Councils is estimated to amount to £14.1m.

- 8.22 The scheme has significant benefits to the City Council that it would otherwise not receive if it wasn't in the pooled arrangement as follows:

- i) Any growth (previously 50% and estimated at £14.1m) that used to be returned to Government, is now accumulated into a pool - this is additional funding available to the 3 Councils but, importantly includes all growth since 2013/14 (not 2018/19) although it is not backdated
- ii) The pool is then allocated as follows:
 - 60% shared out on the basis of need (defined by the Government's current grant funding formula) - This is expected to be an additional £3.1m for the City Council and available for any purpose

- 30% is allocated to a "Growth & Productivity Pot", to be re-invested across the 3 Councils into schemes that generate growth and productivity - This is expected to be £4.2m in total and to be shared between the 3 Councils
- 10% is retained in the pool and held back in the event of future reductions in business rates - This is expected to be £1.4m across all Councils to be available to offset any potential future business rate loss

This is set out diagrammatically below:



8.23 The City Council's Business Rate base represents 37% of the total Business Rates collected across the 3 Councils with Isle of Wight representing 18% and Southampton representing 45% as set out below:

Authority	Business Rates Base¹¹ £m	% Share Business Rate Base	% Share of Growth Pool¹²
Isle of Wight Council	44.37	18.1%	23.0%
Portsmouth City Council	90.49	36.9%	36.6%
Southampton City Council	110.46	45.0%	40.4%
Total Business Rates	245.32	100.0%	100.0%

The table above also illustrates that the City Council's relative share of its Business Rate Base is broadly equivalent to its relative share of Need as the proportions of Business Rate Base and Share of the "Growth Pool" are broadly equivalent.

8.24 As mentioned, the Business Rates Growth Pool is essentially that element of Business Rate growth that previously was returned to Government. In cash terms, distributions from the Growth Pool will be significant for the Council since it will include the Government's share of growth relating to each of Portsmouth, Southampton and the Isle of Wight. For example:

- i) For a 1% increase in Business Rates across the 3 Councils, the City Council will receive £269,000
- ii) For a 0% change in Business Rates in Portsmouth but a 1% increase in both the Isle of Wight and Southampton, Portsmouth City Council will receive £170,000

8.25 Additionally, the City Council will be entitled to a share of the "Growth & Productivity Pot" which will amount to £370,000 for every 1% Business rate growth.

8.26 The estimated Growth Pool is significant for 2018/19 because it covers the growth for the total period 2013/14 to 2018/19 (rather than just 2017/18 to 2018/19) amounting to 13% across all three Councils.

8.27 In overall terms, it is estimated that the City Council will receive the following additional sums / benefits as a direct consequence of the 100% Business Rate Retention pilot:

- i) Direct allocation for general use £3.1m
- ii) A share of the "Growth & Productivity Pot" which amounts in total to £4.2m
- iii) A distribution from the "Financial Stability Pot" amounting to £1.4m in total in the event of future Business Rate reductions

11 Includes S.31 Grants provided by Government in recompense for foregone Business Rates arising from National Business Rate relief schemes

12 Share of growth relates to that element distributed directly to the Councils on a Needs Basis (i.e. 60% of the total Growth Pool)

- 8.28 In total, for 2018/19, Retained Business Rates are estimated at £73.6m¹³ (now reflecting the retention of 100% Business Rates) and which includes a surplus relating to previous year of £0.5m 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).
- 8.29 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. The Council will now also be afforded some protection through the Business Rate Pooling arrangements (i.e. the "Financial Stability Pot").
- 8.30 Despite the complications and risks associated with appeals, there remains the financial incentive within the system for many Local Authorities (including Portsmouth¹⁴) 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.

Council Tax Proposals 2018/19 & Future Years

Council Tax Amount 2018/19

- 8.31 As described in the Budget report to Council in December 2017, 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.
- 8.32 Council Tax currently represents 46% 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.
- 8.33 Council Tax for the average Council Tax payer in Portsmouth (Band B) currently amounts to £1,173.21, of which £994.87 (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 49% of all properties are subject to the full level of Council Tax.
- 8.34 In response to inflationary pressures faced by Councils (e.g. Consumer Price Index (CPI) 3.0% and Retail Price Index (RPI) 4.1%), the Provisional Local Government Finance Settlement for 2018/19 confirmed a Council Tax increase limit for general purposes (i.e. referendum threshold) of 3%. Any increase beyond the 3% threshold can only be implemented following a "Yes" vote in a local referendum.

¹³ Includes transfer to the "Growth Pool" of £4.9m and transfer from the "Growth Pool" of £3.1m less the "Tariff" of £17,157,504

¹⁴ Applies to Local Authorities that, in general, remain above the safety net threshold over time

- 8.35 As described more fully later in this report, the actual level of inflation for 2018/19 is £1.1m higher than had been originally forecast. This is principally due to the proposed pay award at 2.6% being £0.6m higher than forecast, the National Living Wage set at 4.4% plus RPI / CPI (upon which contracts and other costs are linked) estimated to cost an additional £0.5m. The Council had originally forecast that it would increase the level of Council Tax by just 1.99% for general purposes, a further increase in Council Tax of 1% (to 2.99%) would generate a further £714,500.
- 8.36 In addition, the remaining level of Council Tax increase allowed for the Adult Social Care precept for the period 2018/19 and 2019/20 remains at 3%. The Council's forecasts are based on the full remaining 3% increase being applied in full and evenly over the next 2 years (2018/19 and 2019/20). Should the Council elect to reduce the increase from 1.5% in 2018/19, each 1% reduction will lead to a further £714,500 pressure on Adult Social Care, requiring the Service to make further savings of an equivalent sum.
- 8.37 The additional flexibility to apply 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 (which has increased by 4.4%) as well as the demographic pressures from general aging and a "living longer" population.
- 8.38 For Portsmouth City Council, it is vital that the flexibility of the ASC Precept is taken in order to mitigate the current underlying deficit in Adult Social Care currently standing at circa £1.8m. The alternative would be to increase the level of savings required by the Service.
- 8.39 Given the upward inflationary pressures on pay and prices amounting to £3.9m in total (and an additional £1.1m versus the Council's original forecast, as previously described), the demographic pressures in Adult Social Care and the impact of the 4.4% increase in the National Living Wage on Care Services (estimated to cost an additional £1.4m), it is proposed that:
- i) The Council Tax for General Purposes be increased by 2.99% for 2018/19, representing 57p per week for a Band B tax payer and yielding £2.1m
 - ii) Adult Social Care precept be increased by 1.5% for 2018/19, representing 29p per week for a Band B tax payer and yielding £1.1m to be passported direct to Adult Social Care.
- 8.40 Given the extent of the unfunded cost pressures in Adult Social Care, both present and emerging, it is recommended that the Council increase the Council Tax for the Adult Social Care Precept by 1.5%. Setting a precept at a lower sum will inevitably result in additional service reductions to Adult Social Care services in 2018/19, this decision therefore will be will be critical for Adult Social Care services and the wider health system in the City.
- 8.41 The Council could elect not to increase the level of Council tax by 4.49% but if it chose to do so would need to identify additional savings over and above the £4m savings approved by the City Council in December 2017. For every 1% reduction in Council Tax, additional savings of £714,500 will be required.

8.42 The Council's future forecasts for the period 2019/20 to 2021/22 have been estimated on the following basis:

- i) General Purposes - 1.99% rise each year
- ii) Adult Social Care Precept - 1.5% rise in 2019/20 and no further increases thereafter

Council Tax Base 2018/19

8.43 The Council Tax Base (i.e. the number of Band D equivalent properties paying the full Council Tax) has been determined as **55,857.4** for 2018/19.

Collection Fund Balance (Council Tax Element) 2017/18

8.44 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 (84.8% share)
- Hampshire Police & Crime Commissioner (11.0% share)
- Hampshire Fire & Rescue Service (4.2% 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.

8.45 For 2017/18, it is estimated that there will be a surplus on the Collection Fund of £1,210,318 which will be shared in proportion to the 2017/18 precepts and distributed to the preceptors as follows:

COLLECTION FUND SURPLUS - 2017/18		
Preceptor	Distribution	
	£	%
Portsmouth City Council	1,026,333	84.8%
Hampshire Police & Crime Commissioner	132,761	11.0%
Hampshire Fire & Rescue Service	51,224	4.2%
Total Surplus 2016/17	1,210,318	100.0%

The Portsmouth City Council Share of the surplus of £1,026,333 is factored into the overall Council Tax income for 2018/19.

Total Council Tax Income 2018/19 & Future Years

8.46 Considering the Council Tax increase, Council Tax Base and surplus on the Collection Fund, the total Council Tax income for 2018/19 is estimated at £75,685,892.

8.47 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 £80,374,889 by 2021/22 and is based on the following assumptions:

- Increase in the amount of Council Tax of 4.49% for 2018/19
- Increase in the amount of Council Tax of 3.49% for 2019/20 (which includes 1.5% for the last remaining flexibility for the Adult Social Care precept)
- Increases of 1.99% per annum from 2020/21 onwards

Cumulative Effects of the Overall Local Government Funding System

8.48 Over the past 7 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 £450,000 for every 1% increase in Business Rate growth (under the 50% Business Rate Retention scheme but doubling under the 100% Business Rate Retention Pilot). Equally, the City Council will lose £450,000 for every 1% decline in the Business Rate base
- For every new home built, the City Council is able to retain circa £1,591 p.a. above the "deadweight" threshold of 0.4% (circa 296 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 2018/19 is £11.7m Each 1% change therefore will represent a cost / saving of £117,000.

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 2018/19

8.49 The proposed Budget for 2018/19 has been prepared to include the following:

Spending 2018/19:

- Passporting the "Social Care Precept" funding of £1.1m (amounting to the equivalent of a 1.5% increase in Council Tax) to Adult Social Care to meet demographic pressures, the costs associated with the National Living Wage and to mitigate the current underlying deficit

- An overall allowance for inflation of 3.4% (which includes pay at 2.6%) amounting to £3.9m
- Use of the additional £3.1m received from the Business Rate Retention Pilot (currently guaranteed for 1 year only) to enable the Council to make a Revenue Contribution to the Capital Programme to ensure the Council can properly meet its statutory responsibilities for providing Special School Places
- Other contributions to Capital Programme to meet existing and future Council commitments and obligations
- 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 £6.4m (£6.7m in 2017/18), 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 £4.0m savings proposals approved by the City Council in December 2017
- Forecast losses from MMD amounting to £1.0m (but returning to profit in 2019/20)

Funding 2018/19:

- Reduction in general Government funding of £7.4m
- An overall increase in Council Tax of 4.49%, yielding £3.2m
- An increase in the Council Tax base equivalent to 527.5 Band D properties yielding £0.7m
- An increase in retained Business Rates¹⁵ of £5.8m, (of which £3.1m arises as a direct result of the 100% Business Rate Pilot) due to increase in CPI and business rate growth¹⁶
- Overall "one-off" surplus on the Collection Fund attributable to the City Council amounting to £1.5m, representing a surplus on Council Tax of £1.0m and a surplus on Business Rates retained of £0.5m

¹⁵ This includes the reduction in the surplus brought forward from one year to the next on the Collection Fund of £1.0m

¹⁶ CPI - Consumer Price Index each September is used to increase the business rate multiplier that is applied to rateable values and determine rates due.

8.50 The proposed Budget for 2018/19, including the main changes described above results in net spending of £164,776,000. This amounts to a net increase in spending of £3,133,000 or 1.9% over the Original Budget 2017/18 of £161,643,000.

8.51 The proposed Budget for 2018/19 as described in this Section is recommended for approval.

9 Cash Limits 2018/19

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 2018/19 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 2018/19 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.

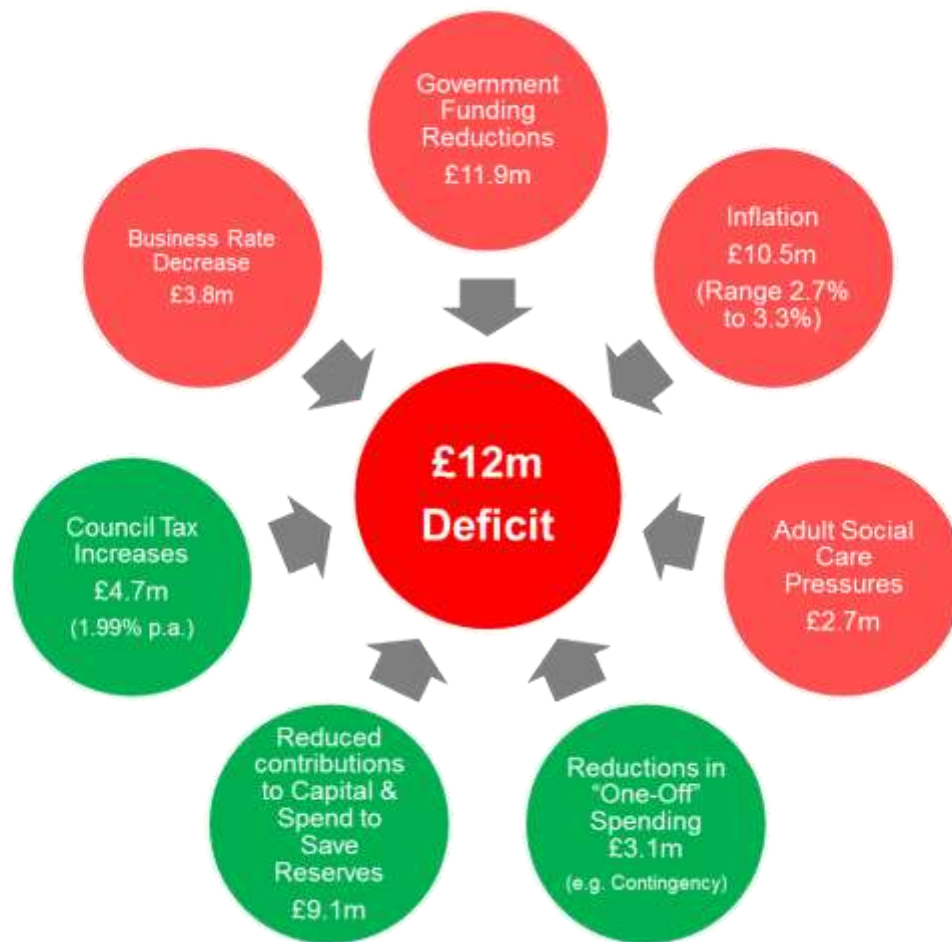
PORTFOLIO	Cash Limits 2018/19 £'000	Items Outside the Cash Limit £'000	Budget 2018/19 £'000
Children & Education	24,800	105	24,905
Culture Leisure & Sport	5,123	3,870	8,993
Education	5,305	18,989	24,294
Environment & Community Safety	14,366	1,788	16,154
Health & Social Care	41,739	3,314	45,053
Housing	2,540	5,743	8,283
Leader	139	20	159
Planning Regeneration Economic Development	(17,531)	13,041	(4,490)
Resources	18,045	4,244	22,289
Traffic & Transportation	15,760	684	16,444
Governance & Audit Committee	151	48	199
Licensing Committee	(239)	16	(223)
PORTFOLIO EXPENDITURE	110,198	51,862	162,060

- 9.3 Managers will be expected to contain their expenditure in 2018/19 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 2018/19, 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 2019/20 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 Cabinet will receive a report on the overall budget position every quarter.

10 Future Years' Medium Term Forecasts - 2019/20, 2020/21, and 2021/22

- 10.1 A new medium term forecast has now been completed and "rolled on" a further year to cover the period 2019/20 to 2021/22. 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 £12m would be required across the previous 3 year period 2018/19 to 2020/21. The proposed Revenue Budget for 2018/19 provides for £4m of those savings that, based on the "old" forecast, would have left a residual £8m remaining to be found for the following 2 years.
- 10.3 The new medium term forecast takes account of the £4m savings being achieved in 2018/19, comprehensively revises the remaining £8m that was estimated to be required and makes a forecast for the additional year 2021/22. It is now estimated that the savings required for the new 3 year period 2019/20 to 2021/22 will also 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 2019/20 to 2021/22 are as follows:



10.5 The most significant assumptions in the medium term forecasts for the period 2019/20 to 2021/22 are described below:

Spending:

- An overall composite inflationary provision covering all pay and prices amounting to 3.3% for 2019/20, a further 3.1% for 2020/21 and a further 2.7% for 2021/22 amounting to a total for the period of £10.5m
- Demographic cost pressures in Adult Social Care (excluding inflation) of £2.7m
- The ongoing effect of savings and passported funding for new burdens included in the 2018/19 budget
- 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 3.2% for 2019/20, 3.5% for 2020/21 and 3.6% for 2021/22

- Investment rates on any new lending of 1.1% for 2019/20, 1.4% for 2020/21 and 1.5% for 2021/22
- Revenue contributions to Capital to meet existing Council commitments and also to supplement the Capital Resources available for 2019/20 and 2020/21 when capital resources will be extremely limited and far outstrip the Council's obligations and aspirations
- Contributions to the MTRS Reserve in 2019/20 and 2020/21 in order to maintain the Reserve at levels consistent with continuing to be able to support Spend to Save initiatives and likely redundancy costs
- An assumption of a steady state for other budgets

Funding:

- Reductions in overall general Government funding of £11.9m, representing a 56% reduction
- A 3.49% increase in 2019/20 followed by a 1.99% increase in Council Tax per annum from 2020/21 onwards, in total yielding £4.7m
- A core assumption that the 100% Business Rate Pilot will end in March 2019 and the Council will return to the National Scheme in 2019/20 and thereafter
- Indexation uplifts on retained Business Rates of 2.2% for 2019/20, a further 2.4% for 2020/21 and a further 2.5% for 2021/22 in line with forecasts from the Office for Budget Responsibility; but reduced by the £3.1m additional sum associated with the £100% Business Rate Retention Pilot (guaranteed for 1 year only) and an assumption that half of all Business Rate growth achieved since 2013/14 will be lost as part of the Fair Funding Review in 2020/21. The sum of all these factors is a reduction of £3.8m.
- An underlying zero growth assumption for changes in Business Rates from 2018/19 onwards, to reflect the uncertainty relating to appeals and mandatory reliefs
- That any loss of business rates income arising from National Business Rate reduction / capping initiatives will continue to be recompensed by Government via S.31 grant funding
- New Homes Bonus grant reductions based on the Government's assumptions of the changes to the scheme
- Changes to the Port dividend for 2019/20, 2020/21, and 2021/22 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 period. It also moves two years beyond the comprehensive change to the Local Government funding system which involves moving to 75% Business Rate Retention and the simultaneous implementation of the Fair Funding review. Consequently, there remains a significant level of uncertainty surrounding the forecast for 2020/21 and 2021/22.
- 10.7 The forecasts described above are the subject of a significant degree of uncertainty and particularly from 2020/21 onwards. The main causes of the uncertainty are:
- iii) Whether the 100% Business Rate Retention Pilot will continue beyond 2018/19 - if it does, it could have the potential to improve the forecast by £3.1m plus a share of any further increases in Business Rates across Portsmouth, Southampton and the Isle of Wight
 - iv) The outcome of the Fair Funding review in 2020/21 - this could have an estimated positive or negative effect in the range of +/- £3m
- 10.8 Due to the uncertain nature of the future years' forecasts it is imperative that the Council continues to plan for £4m of savings per annum as well as maintaining sufficient General Reserves. This is a balanced approach appropriate to an eventuality where the Council's forecasts are either too pessimistic or too optimistic. For example, in the event that the 3 year forecast improves, the Council has not prematurely made a level of savings and service reductions that could have been avoided and it allows more time for savings initiatives to take effect. If the forecast deteriorates, the Council will have made good progress towards the necessary savings and have sufficient General Reserves to avoid significant "spikes" in Savings Requirements in any single year in the future.
- 10.9 Crucially, this savings strategy, as described above, can only work if the Council retains General Reserves at the levels set out in this report.
- 10.10 In summary, the overall savings requirement has been maintained for both 2019/20 and 2020/21 and the forecast has been "rolled on" to now include a deficit in 2021/22 of a further £4m. The overall forecast budget deficit and savings requirement for the 3 year period 2019/20 to 2021/22 is £12m. Importantly, this level of budget deficit can only be maintained if the Council approves the proposed £4.0m of savings as well as the increase in Council Tax of 4.49% for 2018/19.
- 10.11 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.
- 10.12 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.

10.13 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
2019/20	4.7	4.0	4.0
2020/21	8.9	4.0	8.0
2021/22	11.9	4.0	12.0

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

11 Estimated General Reserves 2017/18 to 2021/22

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 2018 (Revised Estimate) are anticipated to be £20.6m 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 2018/19 the City Council should hold a minimum of £8.0m in General Reserves to cover these major risks. It is therefore recommended that the minimum level of General Reserves be maintained at £8.0m as at March 2019. Assuming the savings required to fund the forecast deficit in 2018/19 are achieved, General Reserves as at 31 March 2019 are forecast to be £20.9m.

11.5 The minimum level of balances for 2019/20 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 2017, together with the proposed use of reserves from 2017/18 to 2021/22, and the resultant balances at 31 March 2022 **assuming that the target savings recommended in Section 10 are achieved.**

General Reserves Forecast - 2018/19 to 2021/22					
Financial Year	Current Year £m	Budget 2018/19 £m	Forecast 2019/20 £m	Forecast 2020/21 £m	Forecast 2021/22 £m
Opening Balance	19.2	20.6	20.9	20.2	19.4
In Year Surplus / (Deficit)	1.4	0.3	(0.6)	(0.9)	0.1
Forecast Balance	20.6	20.9	20.3	19.4	19.5

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 below the minimum level by 31 March 2021.
- It is a crucial part of the strategy to mitigate against the uncertainty of the Fair Funding Review in 2020/21 in order to avoid potentially significant "spikes" in savings requirements in any single year (as described in Section 10 above)
- 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 £4.8m¹⁷ 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.

¹⁷ Including the transfer into the reserve of £4.5m as recommended in this report

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 £2.0m is transferred into the Reserve in 2017/18 from the forecast underspend in the year, (as set out in Section 6) and a further £2.5m be transferred into the Reserve in 2018/19.
- 12.5 In the event that the recommended £4.5m transfer is not approved, the Reserve will be left with a very modest £0.3m, rendering it 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 2018/19. Particular uncertainties exist regarding the extent of successful appeals and mandatory reliefs which affect Retained Business Rates, Government Funding levels (including the outcome of the Fair funding Review), 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 £8.0m 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 2018/19 to 2019/20.

- A "no growth" assumption for Retained Business Rates from 2019/20 onwards on the basis that any income arising from growth will be offset by both appeals and reliefs
- The 100% Business Rate Retention Pilot will run for 2018/19 only
- 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 1.5% in 2018/19 and 2019/20
- 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"¹⁸
- 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.

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 2017/18 and utilise them as necessary in 2018/19 and future years for any purpose but with a clear priority to meet essential cost pressures in the first instance.

¹⁸ Relative need is based on the Government's "Relative Needs Formula" that is used in allocating general government funding

- 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 Cabinet.
- 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 2019/20 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 2019/20, £4m in 2020/21 and £4m in 2021/22.

(b) The Adequacy of Proposed Financial Reserves

- 13.16 During 2017/18, 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 £8.0m as at 31 March 2019 (£7.0m in the current year).
- 13.17 Balances provide a buffer against unexpected costs such as pay awards, inflation, shortfalls in income and overspends and enable the City Council to manage change without undue impact on the Council Tax or immediate reductions to services. They are a key element of strong financial standing and resilience as they mitigate risks such as increased demand and other cost pressures.
- 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 £7.8m as at 31 March 2018 which will be available for 2018/19.

- 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 just £0.3m. In order for this Reserve to continue in this capacity, it will be necessary to replenish it from any non Portfolio underspendings, transfers from other reserves no longer required or alternatively from the Revenue Budget.
- 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 2018/19 has been set on a risk basis at £6.4m 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 2018/19 has been prepared to incorporate the decisions of Council in December 2017 to make savings amounting to £4m and set a Council Tax increase of 4.49%.
- 14.2 The decisions made by the City Council in December 2017 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 2017 report and this report, now culminating in the proposed Budget for 2018/19, will:
- Provide a suite of savings amounting to £4m of which the vast majority relate to either efficiency savings (£2.4m) or additional income (£1.4m) leaving just £0.2m, or 4%, to be achieved through service reductions
 - In accordance with the Budget Consultation, provide significant protection to both Adults Social Care and Children's Social Care

- Provide for an overall Council Tax increase of 4.49% in 2018/19 comprising 2.99% for General Purposes and 1.5% to be passported direct to Adult Social Care services.
- Provide assurance that with a 1.5% increase in Council Tax for Adult Social Care that existing and emerging cost pressures can be met and mitigation provided to address the underlying deficit of £1.8m therefore avoiding any further reductions to those services in 2018/19 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 the improved Better Care Fund allocation)
- Require that for 2019/20 a minimum on-going savings sum of £4.0m be made
- Transfer £4.5m in total across the years 2017/18 and 2018/19 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 2018/19 by making a £5.1m transfer from Revenue in total across the years 2017/18 and 2018/19 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 2017/18 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 School Places, Sea Defences, essential maintenance for Council facilities 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 2018/19 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 at more moderate levels and the forecast budget deficit for the 3 year period 2019/20 to 2021/22 is constant at £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's Social Care continue to dominate the Council's costs at 53% 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 75% Business Rate Retention alongside the simultaneous implementation of the Fair Funding review, which will set the baseline level of funding from Business Rates. This has the potential to affect the Councils forecasts either positively or negatively by circa £3m.

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

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 2018/19 is based on the savings proposals set out in the report to Council in December 2017. 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 October and November to help inform how to make £12m of savings over the period 2018/19 to 2020/21 as well as how the Council should prioritise its Capital Investment plans. 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 9 February 2018 where a presentation was made of the proposed Council Tax and Revenue Budget 2018/19, the Council's future financial forecasts for 2019/20 to 2021/22 and the proposed Capital Investment plans. 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 2018/19 to 2021/22

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 Technology
Local Government Finance Settlement 2018/19	Office of Director of Finance & Information Technology

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by the City Council on 13 February 2018.

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

APPENDIX A

Calculation of the Council Tax 2018/19

<u>Portsmouth City Council</u>	2018/19	2017/18
	£	£
Gross Expenditure	486,934,953	463,193,930
LESS: Gross Income	(396,448,345)	(352,074,188)
Net Expenditure 2018/19	90,486,608	111,119,742
LESS: Government Grants	(15,827,049)	(40,346,160)
Council Tax Requirement - Portsmouth City Council Purposes	74,659,559	70,773,582
Council Tax Base	55,857.4	55,329.9
Council Tax - Portsmouth City Council Purposes at Band D		
<u>74,659,559</u>		
55,857.4 =	£1,336.61	£1,279.12

<u>Hampshire Police & Crime Commissioner Precept</u>	9,912,454	9,154,885
Council Tax - Hampshire Police & Crime Commissioner Purposes at Band D	£177.46	£165.46

<u>Hampshire Fire and Rescue Authority Precept</u>	3,672,065	3,532,261
Council Tax - Hampshire Fire and Rescue Authority Purposes at Band D	£65.74	£63.84

The Council Tax to be levied for all bands in 2018/19 will be as follows :

		Portsmouth City Council £	Hampshire Police & Crime Commissioner £	Hampshire Fire & Rescue Authority £	TOTAL 2018/19 £	TOTAL 2017/18 £
Estimated Valuation as 1 April 1991						
Up to £40,000	A	891.07	118.31	43.83	1,053.21	1,005.62
£40,001 - £52,000	B	1,039.59	138.02	51.13	1,228.74	1,173.21
£52,001 - £68,000	C	1,188.10	157.74	58.44	1,404.28	1,340.83
£68,001 - £88,000	D	1,336.61	177.46	65.74	1,579.81	1,508.42
£88,001 - £120,000	E	1,633.63	216.90	80.35	1,930.88	1,843.63
£120,001 - £160,000	F	1,930.66	256.33	94.96	2,281.95	2,178.83
£160,001 - £320,000	G	2,227.68	295.77	109.57	2,633.02	2,514.04
£320,001 and over	H	2,673.22	354.92	131.48	3,159.62	3,016.84

GENERAL FUND SUMMARY - 2017/18 to 2021/22

APPENDIX A

Original Budget 2017/18 £	NET REQUIREMENTS OF PORTFOLIOS	Revised Budget 2017/18 £	Original Budget 2018/19 £	Forecast 2019/20 £	Forecast 2020/21 £	Forecast 2021/22 £
	Community Safety					
23,842,700	Children & Families	24,193,300	24,904,800	27,017,800	27,765,600	28,456,600
10,160,860	Culture Leisure & Sport	9,088,260	8,993,160	9,462,260	9,699,960	9,925,460
24,247,457	Education	24,518,957	24,294,457	24,639,757	24,761,957	24,906,657
15,800,013	Environment & Community Safety	15,968,413	16,154,013	16,642,313	17,067,613	17,496,313
45,432,879	Health & Social Care	46,138,079	45,052,279	45,733,579	47,492,679	49,202,079
9,040,528	Housing	8,280,328	8,282,428	8,390,928	8,489,428	8,582,028
144,153	Leader	144,153	158,453	163,153	167,753	171,653
37,329	Planning Regeneration Economic Development	(4,444,871)	(4,490,371)	(5,541,071)	(6,033,571)	(6,201,771)
22,758,234	Resources	22,456,934	22,289,434	23,248,634	24,016,034	24,506,634
14,605,707	Traffic & Transportation	16,658,207	16,443,707	17,004,407	16,093,207	16,134,307
88,600	Governance, Audit & Standards Committee	146,900	199,400	212,900	228,000	223,300
(215,595)	Licensing Committee	(216,695)	(222,795)	(227,695)	(230,295)	(235,595)
165,942,865	Portfolio Expenditure	162,931,965	162,058,965	166,746,965	169,518,365	173,067,665
	<u>Other Expenditure</u>					
0	Precepts	0	0	38,400	39,400	40,400
(135,000)	Portchester Crematorium - Share of Dividend	(145,000)	(150,000)	(140,000)	(140,000)	(140,000)
7,172,000	Pension Costs	6,983,700	7,672,000	8,224,800	8,517,900	8,785,000
6,689,000	Contingency Provision	4,212,000	6,384,000	4,326,000	4,251,000	4,251,000
8,000,000	Revenue Contributions to Capital Reserve	10,461,900	10,344,500	5,000,000	2,000,000	0
764,100	Transfer to / (from) Other Reserves	2,629,800	3,155,900	2,229,500	1,272,200	272,200
(28,702,765)	Treasury Management	(29,559,165)	(27,225,965)	(26,806,965)	(26,281,465)	(26,113,165)
1,912,800	Other Expenditure	4,425,800	2,536,600	2,045,900	2,455,500	3,065,400
(4,299,865)	Other Expenditure	(990,965)	2,717,035	(5,082,365)	(7,885,465)	(9,839,165)
161,643,000	TOTAL NET EXPENDITURE	161,941,000	164,776,000	161,664,600	161,632,900	163,228,500
	FINANCED BY:					
(583,761)	Contribution (to) from Balances and Reserves	(1,389,356)	(304,260)	4,663,082	8,915,907	11,859,921
22,313,120	Revenue Support Grant	22,313,120	0	11,482,624	7,378,053	3,345,127
49,632,941	Business Rates Retention	50,844,141	73,567,319	52,874,252	51,498,445	52,785,905
18,033,040	Other General Grants	17,925,435	15,827,049	15,375,983	15,034,082	14,862,658
72,247,660	Council Tax	72,247,660	75,685,892	77,268,659	78,806,413	80,374,889
161,643,000		161,941,000	164,776,000	161,664,600	161,632,900	163,228,500
	BALANCES & RESERVES					
19,227,169	Balance brought forward at 1 April	19,256,118	20,645,474	20,949,734	16,286,652	7,370,745
583,761	Deduct (Deficit) / Add Surplus for Year	1,389,356	304,260	(4,663,082)	(8,915,907)	(11,859,921)
19,810,930	Balance carried forward at 31 March	20,645,474	20,949,734	16,286,652	7,370,745	(4,489,176)
7,000,000	Minimum Level of Balances	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000
(583,761)	Underlying Budget Deficit / (Surplus)	(1,389,356)	(304,260)	4,663,082	8,915,907	11,859,921

APPENDIX B

BUDGET AND FORECAST EXPENDITURE 2018/19 to 2021/22

	Forecast 2018/19 £'000	Forecast 2019/20 £'000	Forecast 2020/21 £'000	Forecast 2021/22 £'000
Service Cash Limits	110,196	114,876	117,646	121,193
Contingency	6,384	4,326	4,251	4,251
Debt financing costs	23,227	23,646	24,172	24,340
Levies and insurance premiums	1,410	1,418	1,420	1,422
Other income/expenditure	23,558	17,398	14,145	12,023
	164,775	161,664	161,634	163,229
<u>Less</u>				
- Council Tax Income	75,686	77,269	78,806	80,375
- Revenue Support Grant	0	11,483	7,378	3,345
- Business Rates Retention	73,567	52,874	51,498	52,786
- Other General Grants	15,827	15,376	15,034	14,863
	165,080	157,002	152,716	151,369
Budget (Deficit)/Surplus	305	(4,662)	(8,918)	(11,860)

Deficits in 2019/20 to 2021/22 reflect future savings requirements

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Agenda item

Decision maker:	Cabinet City Council
Subject:	Capital Programme 2017/18 to 2022/23
Date of decision:	12 th February 2018 (Cabinet) 13 th February 2018 (City Council)
Report by:	Director of Finance and Information Technology & 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 and productivity for the City.
- 1.2 The Administration's new scheme proposals contained within this report will lead to additional capital investment totalling £40.7m.
- 1.3 The programme has been designed to support educational attainment by investing £15.0m into school buildings. This will provide sufficient secondary school places for the rising population, additional places for children with special education needs, which will reduce the need for expensive out of city placements, and also meet the most critical repairs across the school estate, targeting resources at schools with the most acute needs. In addition, a further £3.4m is being invested in council buildings to ensure that they remain fit for purpose and new public toilet facilities across the City.
- 1.4 To deliver these necessary school places, the Administration proposes to "stretch" the Capital Resources available by relying on future years' capital grant allocations made by the Department for Education for LA Basic Need. The consequence of this is to reduce the resources that would otherwise be available in future years. 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.
- 1.5 Significant investment continues to be made into core City transport infrastructure amounting to £4.5m. Substantial measures to improve congestion and traffic flow

through the City's three main arteries are proposed. Continued investment in the Local Transport Plan is also proposed to facilitate economic development by ensuring transport networks are reliable and efficient; improve road and transport safety; manage the adverse impact of transport on the environment and promote healthier travel. Complimentary proposals to introduce an "intelligent transport system" exploiting up to date technology are also planned by the Administration.

- 1.6 An investment of £2.4m in new technology and digital services is planned to enable the replacement of Microsoft Windows 7¹ with Microsoft Windows 10 and to replace the Council's stock of ageing hardware (i.e. computers and laptops) ensuring that it is secure and up to date (i.e. within 3 years old). The investment will also enable further transformation of the council's customer contact arrangements. These technological investments will increase capability and ensure resilience whilst reducing annual running costs.
- 1.7 Finally, a range of environmental proposals totalling £4.4m are planned that seek to enhance the attractiveness of the City; improve the environment and reduce the impact that council services have upon it (including the roll out of wheeled bins to suitable properties; match funding towards the costs of works to restore, improve and celebrate the heritage of Victoria Park, and improvements to the City Centre public realm).
- 1.8 In addition to the new 2018/19 capital schemes outlined above, the Revised Capital Programme 2017/18 to 2022/23 attached as Appendix 1 includes a further £3.5m City Council contribution to the existing scheme of Sea Defence works which will protect 8,000 properties across Old Portsmouth, Southsea and Eastney from flooding (contributions totalling £2.5m were made in 2016/17 and 2017/18). This further amount increases the total City Council contribution to £6m.
- 1.9 In order to unlock the economic potential of the City, the Administration proposes to increase firm contributions by the City Council towards a circa £70m project for an upgraded City Centre access road by £7.5m to £22.5m. This City Council contribution has also been included in Appendix 1. This scheme will fundamentally re-design the primary route into the City, optimise available development land and improve journey times to accommodate future growth, enabling residents, tourists and businesses to access the City with ease and facilitating 2,600 additional homes and 9,700 permanent jobs.
- 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 2018/19 & Medium Term Budget Forecast 2019/20 to 2021/22" report, elsewhere on this agenda, proposes that any further underspending, which arises at year end, will also be used to supplement the Capital Resources available for 2018/19 and future years.

¹ Windows 2007 will cease to be supported after January 2020

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 2017/18 and future years in accordance with the Capital Strategy
- Describe and approve the Prudential Indicators arising from the revised Capital Programme 2017/18 to 2022/23
- 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 2017/18 to 2022/23 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 2017/18 to 2022/23 and be financed from the available corporate capital resources:

Recommended New Capital Schemes		Corporate Resources Required £	Total Scheme Value £
Education			
	Schools' Conditions Project 2018/19	1,000,000	1,100,000
	Sufficiency of Secondary School Places	10,237,800	10,237,800
	Sufficiency of Special School Places - Redwood Park Academy	2,053,700	3,053,700
	Sufficiency of Special School Places - The Willows Centre	400,000	400,000
	Milton Childcare Sufficiency	250,000	250,000
	Forest School at Foxes Forest - Community Accessible Education Centre	125,000	125,000
Culture, Leisure and Sport			
	Farlington Pavillion Refurbishment	70,000	140,000
	Lumps Fort Sun Huts Maintenance	50,000	50,000
	Milton Park Barn Thatched Roof	130,000	130,000
	Victoria Park Heritage Lottery Funding Bid	250,000	2,500,000
	Disabled Beach Buggies & Access Mats	20,000	20,000
	Allotment Security Grants	35,000	35,000
	Outdoor Fitness Equipment	80,000	80,000
Environment and Community Safety			
	Public Toilets New Provision, across the City	125,000	180,000
	Wheeled Bins for Refuse	1,120,000	1,120,000
Health and Social Care			
	Shearwater House - Backup Power Supply	50,000	50,000
Housing			
	307 Twyford Avenue - Refurbishment of Supported Housing Accommodation for Adult Social Care clients	190,000	190,000
	4 Target Road - Refurbishment of Supported Housing Accommodation for Adult Social Care clients	100,000	100,000
	69 Goldsmith Avenue - Refurbishment of Supported Housing Accommodation for Adult Social Care clients	160,000	160,000
Planning, Regeneration and Economic Development			
	City Centre Public Realm 2018/19	500,000	500,000
Resources			
	Landlord's Maintenance	2,395,000	2,395,000
	Channel Shift - Phase 2	582,500	582,500
	Windows 10 Upgrade & Hardware Refresh	1,500,000	1,800,000
Traffic and Transportation			
	Cathodic Protection - Hard Interchange	1,200,000	1,200,000

Recommended New Capital Schemes		Corporate Resources Required £	Total Scheme Value £
	Western Corridor - South	120,000	120,000
	Central Corridor	250,000	250,000
	Eastern Corridor Road Link - Phase 2	500,000	500,000
	LTP 4	1,500,000	1,500,000
	Smart Cities - Intelligent Transport System	500,000	803,000
	Pedestrian Crossing - Henderson Road	80,000	80,000
Total Recommended Sum To Be Approved		25,574,000	29,652,000

- 5) The following Schemes as described in Section 14 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
School Condition (roofs, boilers, electrics, windows etc.)
Camber Quay Berth 4 Replacement
Enabling Transport Infrastructure match funding - City Centre development
Sea Defences
Landlords Repairs & Maintenance
Local Transport Plan - Road safety and traffic improvement schemes
Digital Strategy (Including move to cloud based Information Technology systems)

- 6) The Prudential Indicators described in Section 15 and set out in Appendix 3 be approved.

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

- 1) The passported Capital Allocations (Ring-fenced Grants) as set out in Section 7
- 2) That Cabinet Members, in consultation with the Section 151 Officer, have authority to vary Capital Schemes and their associated funding within their Portfolio in order to manage any potential overspending or funding shortfall or to respond to emerging priorities
- 3) As outlined in Section 9 and Appendix 2 that the Director of Property & Housing Services will work with other Directors to further prioritise the schedule of identified Landlord's Maintenance works to ensure that those with the highest priority are undertaken up to the value of the £2.4m allocated
- 4) The use of Drayton & Farlington Neighbourhood CIL to fund £70,000 of a £140,000 scheme to undertake a refurbishment of Farlington Pavilion, as outlined in Section 12 and Appendix 2
- 5) As outlined in Section 13 and Appendix 2 the release of £55,000 towards a £180,000 scheme from the Environment & Community Safety Portfolio Reserve to provide new public toilets across the City

- 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 15

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 As in previous years 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 and special 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 leading to the protection of 8,000 properties from flooding. In anticipation of this grant award, the Administration allocated £1.25m match funding in both 2016/17 and 2017/18 and plans to allocate a further £3.5m match funding in 2018/19. To unlock the economic potential of the City, the Administration proposes to increase firm City Council contributions by £7.5m towards a circa £70m project for an upgraded City Centre access road. This scheme will fundamentally re-design the primary route into the City, optimise available development land and improve journey times to accommodate 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 £22.5m 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.
- 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
School Condition (roofs, boilers, electrics, windows etc.)	2.0 - 4.0
Camber Quay Berth 4 Replacement	1.7 - 2.0
Enabling Transport Infrastructure match funding - City Centre development (next 5-10 years)	7.5
Sea Defences	6.0
Landlords Repairs & Maintenance	2.5 - 4.0
Local Transport Plan - Road safety and traffic improvement schemes	1.5 - 2.0
Digital Strategy (Including move to cloud based Information Technology systems)	4.0 - 5.5
Total Funding Requirement	25.2 - 31.0

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 £7m per annum) plus any Government funding which may be available for school places. With potentially available capital funding of £7m versus core obligations and aspirations of between £25.2m to £31.0m 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 2017/18 arising at the year-end (outside of those made by Portfolios) to Capital Resources in order to provide funding for essential Capital Investment in core obligations 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 2017/18 and the future Capital Programme for 2018/19 to 2022/23, 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, an 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 – 2017/18 to 2022/23

- 6.1 Since the revised Capital Programme 2016/17 to 2021/22 was approved in February 2017, 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 2017 (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 2017/18 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 2017/18. 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 2018/19 is awaited)	324,200
Health & Wellbeing Board:		
Disabled Facilities Grant	To be allocated in accordance with the arrangements for the distribution of the Better Care Fund (announcement of 2018/19 is awaited)	1,542,900
Total		1,867,100

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 £'000s	Grant Allocated in Previous Years £'000s	Available Resources To Be Pooled £'000s
Education			
LA Basic Need			
2018/19	0	0	0
2019/20	2,927	0	2,927
2020/21	7,274	0	7,274
DfE Capital Maintenance			
2016/17	1,664	(1,443)	221
2017/18	1,520	(1,332)	188
2018/19	1,216	0	1,216
Housing			
Housing Capital Receipts			430
Traffic & Transport			
LTP IT Block			
2017/18	1,851	(1,834)	17
2018/19	1,851		1,851
CIL			
CIL Infrastructure			1,684
City Wide CIL			437
Total Contributions to Corporate Pool			16,245

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. These amount to £1.151m and £0.077m respectively in 2018/19.
- that the Administration has relied on all of the LA Basic Need Grant for the years 2019/20 and 2020/21 to fund scheme proposals scheduled to commence in 2018/19 (completing in 2021/22) for additional school places required over the medium term.

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 2017 stood at £35.1m. 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:

Overspendings / Funding Shortfalls:

- Acquisition of 26 Albert Road

In Year Additions:

- Fountain Refurbishment - Southsea Castle
- Civil Enforcement Officers Handheld Devices
- Parking Enforcement Cameras
- Contactless Parking Metres
- Mountbatten Centre Floodlights
- Hilsea Lines BMX Pump Track
- Oakdene, St James Hospital Purchase & Remodelling
- Kingston Recreation Ground Play Improvements
- Water Safety Equipment
- Beacon View Primary School Kitchen Block
- Acquisition of Joint Venture Energy Company
- Guildhall Square Electrical Upgrade
- Kingston Lodge North Renovation
- Upgrade of Parking Income Counting Equipment
- Road Safety Improvements
- Bicycle Hangars
- Spur Analytics
- Cooperative Intelligent Transport Systems
- Permanent One Way System Wickham Street
- Cycle Signs & Infrastructure

- 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:
 - Archive Store
 - Harbour School Fratton
 - Havant Street Car Park
- 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")	25,574
Add: Funds Released from Uncommitted Schemes	Nil
Total Corporate Capital Resources Available	25,574

9. Priority Capital Schemes – 2018/19 & Beyond (Corporate Resources)

- 9.1 The programme has been specifically designed to support educational attainment by investing £15.0m into school buildings. This will provide sufficient secondary school places for the rising population; additional places for children with special education needs, which will reduce the need for expensive out of city placements, and also meet the most critical repairs across the school estate, targeting resources at schools with the most acute needs.
- 9.2 The Administration also plan to support the economic growth of the City by; improving the attractiveness of the public realm; progressing the detailed design of sea defences at Southsea in order to protect the City's seafront assets (consultation is expected to commence in spring 2018 with the business case for full government funding and an application for planning approval being submitted in the Autumn) 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, Central and Western Corridor Road Links along with investment in intelligent transport systems, which will integrate communication technologies with transport infrastructure and vehicles with consequent improvements in safety, network management, information provision and environmental management, leading to improved management of traffic and other road users whilst minimising the impact of incident and maintenance activities.
- 9.4 As described in Section 8, the Administration have “stretched” the Capital Resources available by relying on future years’ capital grant allocations. The consequence, therefore, of delivering these high impact schemes is to reduce the resources that would otherwise be available in future years. The Administration considers that this is the best way of utilising capital resources in accordance with the Capital Strategy.
- 9.5 At this time, the Administration is recommending the allocation of £25.574m to the following new 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 or Long Term Aspiration (Portsmouth Vision)	Corporate Resources Required £	Total Scheme Value £
Schools' Conditions Project 2018/19	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
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	10,237,800	10,237,800

Capital Scheme	Capital Strategy Short / Medium Term Need & Priority or Long Term Aspiration (Portsmouth Vision)	Corporate Resources Required £	Total Scheme Value £
Sufficiency of Special School Places - Redwood Park Academy	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	2,053,700	3,053,700
Sufficiency of Special School Places - The Willows Centre	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	400,000	400,000
Milton Childcare Sufficiency	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	250,000	250,000
Forest School at Foxes Forest - Community Accessible Education Centre	Category 2 - short / Medium Term Need & Priority - Regenerate the City by improving facilities, encouraging tourism and investment	125,000	125,000
Farlington Pavillion Refurbishment	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	70,000	140,000
Lumps Fort Sun Huts Maintenance	Category 2 - short / Medium Term Need & Priority - Regenerate the City by improving facilities, encouraging tourism and investment	50,000	50,000
Milton Park Barn Thatched Roof	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	130,000	130,000
Victoria Park Heritage Lottery Funding Bid	Category 2 - short / Medium Term Need & Priority - Regenerate the City by improving facilities, encouraging tourism and investment	250,000	2,500,000
Disabled Beach Buggies & Access Mats	Category 2 - short / Medium Term Need & Priority - Regenerate the City by improving facilities, encouraging tourism and investment	20,000	20,000
Allotment Security Grants	Category 2 - short / Medium Term Need & Priority - Regenerate the City by improving facilities, encouraging tourism and investment	35,000	35,000
Outdoor Fitness Equipment	Category 2 - short / Medium Term Need & Priority - Regenerate the City by improving facilities, encouraging tourism and investment	80,000	80,000
Public Toilets New Provision, across the City	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	125,000	180,000
Wheeled Bins for Refuse	Category 1 - Short / Medium Term Need & Priority - Contributes to multiple priorities by improved efficiency	1,120,000	1,120,000

Capital Scheme	Capital Strategy Short / Medium Term Need & Priority or Long Term Aspiration (Portsmouth Vision)	Corporate Resources Required £	Total Scheme Value £
Shearwater House - Backup Power Supply	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
307 Twyford Avenue - Refurbishment of Supported Housing Accommodation for Adult Social Care clients	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	190,000	190,000
4 Target Road - Refurbishment of Supported Housing Accommodation for Adult Social Care clients	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
69 Goldsmith Avenue - Refurbishment of Supported Housing Accommodation for Adult Social Care clients	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	160,000	160,000
City Centre Public Realm 2018/19	Category 2 - Long Term Need & Priority - Regenerate the City by providing an attractive place for business to settle	500,000	500,000
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	2,395,000	2,395,000
Channel Shift - Phase 2	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	582,500	582,500
Windows 10 Upgrade & Hardware Refresh	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	1,500,000	1,800,000
Cathodic Protection - Hard Interchange	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
Western Corridor - South	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	120,000	120,000

Capital Scheme	Capital Strategy Short / Medium Term Need & Priority or Long Term Aspiration (Portsmouth Vision)	Corporate Resources Required £	Total Scheme Value £
Central Corridor	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	250,000	250,000
Eastern Corridor Road Link - Phase 2	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
LTP 4	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	1,500,000	1,500,000
Smart Cities - Intelligent Transport System	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	803,000
Pedestrian Crossing - Henderson Road	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	80,000	80,000
Total Corporate Resources Allocated		25,574,000	29,652,000

9.6 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

9.7 Capital funding requirements for building maintenance works submitted by the Director of Property & Housing and other Directors totalled £4.9m. Having considered all other capital funding requirements, a firm capital allocation of £2.4m has been included within Appendix 2 in respect of 2018/19 Landlord's Maintenance works. As a consequence, the Director of Property & Housing will work with other Directors to further prioritise the schedule of identified works to ensure that those with the highest priority are undertaken up to the value of the £2.4m allocated.

10. New Capital Schemes To Be Funded From Prudential Borrowing

- 10.1 No new capital schemes have been added to the Capital Programme which require prudential borrowing.

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

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

12. New Capital Schemes to be Funded From Neighbourhood CIL

- 12.1 City Council note the use of Drayton & Farlington Neighbourhood CIL to fund £70,000 of a £140,000 scheme to undertake a refurbishment of Farlington Pavilion 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 Environment & Community Safety Portfolio Reserve to fund £55,000 of a £180,000 scheme to provide new public toilets across the City.

14. Future Priority Capital Schemes

- 14.1 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
School Condition (roofs, boilers, electrics, windows etc.)
Camber Quay Berth 4 Replacement
Enabling Transport Infrastructure match funding - City Centre development
Sea Defences
Landlords Repairs & Maintenance
Local Transport Plan - Road safety and traffic improvement schemes
Digital Strategy (Including move to cloud based Information Technology systems)

15. Prudential Borrowing and Prudential Indicators

- 15.1 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

- 15.2 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.
- 15.3 Whilst the City Council is able to set a balanced budget in 2018/19 current forecast revenue deficits amount to £4.7m in 2019/20, £8.9m in 2020/21 and £11.9m in 2021/22. 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.
- 15.4 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
- 15.5 The Prudential Indicators of the Council are determined largely from its Capital Investment decisions. The 7 indicators are presented in Appendix 3 for approval. In summary, the Council's indicators illustrate that its current Capital Programme is affordable. Further details setting out what each indicator shown in Appendix 3 represents is set out below

Ratio of Financing Costs to Net Revenue Stream

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

Capital Financing Requirement (CFR)

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

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

Housing Revenue Account (HRA) Limit on Indebtedness

Represents the limit on the level of borrowing that the Council can take on in respect of the HRA.

Authorised Limit for External Debt & Operational Boundary for External Debt

The Council's Limit for External Debt, recommended for 2018/19, 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 an early warning tool to highlight whether the External Limit is nearing a breach. This therefore, is set at the level to which external debt is more likely to be.

Incremental Impact of Capital Investment Decisions on the Council Tax/Housing Rents

Demonstrates the impact new capital schemes starting in 2018/19 (included in Appendix 2) will have upon the level of the Council Tax/Housing Rents (i.e. Cost of any Prudential Borrowing and the net revenue cost/saving arising upon completion of schemes).

16. Conclusion

- 16.1 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.
- 16.2 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.

16.3 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.

17. Equality Impact Assessment

17.1 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.

18. City Solicitor's Comments

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

19. S.151 Officer's Comments

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

Chris Ward

Director of Finance and Information Technology & 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 2018/19	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 13th February 2018

Signed:

**CAPITAL
PROGRAMME
&
FINANCING**

2017/18 - 2022/23

Summary of Capital Programme (All Services)	Expenditure to 31 March 17 £	Revised Estimate 2017/18 £	Estimate 2018/19 £	Estimate 2019/20 £	Estimate 2020/21 £	Estimate 2021 / 22 £	Estimate 2022 / 23 £	Expenditure in Subsequent Years £	Final Cost £
Children's Social Care	85,724	916,276	1,650,000	0	0	0	0	0	2,652,000
Culture, Leisure & Sport	4,840,058	7,280,031	2,944,703	280,400	800,000	1,350,000	0	0	17,495,192
Education	47,628,468	11,771,950	10,314,100	4,517,900	10,680,600	1,530,500	271,600	0	86,715,118
Environment & Community Safety	2,823,991	11,914,586	14,084,402	13,725,429	16,875,427	15,554,428	16,171,428	29,115,782	120,265,473
Health & Social Care (Adults Services)	1,876,560	1,973,285	2,249,381	1,083,633	0	0	0	0	7,182,859
Planning Regeneration & Economic Development	245,585,560	63,606,577	85,329,515	60,777,165	46,110,651	0	0	122,240	501,531,708
Commercial Port	9,156,743	9,733,715	4,025,136	4,751,613	0	0	0	0	27,667,207
Resources	29,993,165	7,946,827	9,253,303	2,402,518	1,076,350	0	0	0	50,672,163
Traffic & Transportation	83,340,221	14,065,900	14,096,744	4,937,930	1,502,306	1,449,327	0	30,314,888	149,707,316
Total Capital Programme (Excluding Housing Investment Programme)	425,330,490	129,209,147	143,947,284	92,476,588	77,045,334	19,884,255	16,443,028	59,552,910	963,889,036
Housing Investment Programme	159,365,329	43,659,486	31,314,807	24,780,880	29,197,528	25,852,167	26,345,853	26,851,999	367,368,049
Total Capital Programme	584,695,819	172,868,633	175,262,091	117,257,468	106,242,862	45,736,422	42,788,881	86,404,909	1,331,257,085
Analysis of Programme by Source of Finance									
Unsupported Borrowing		54,407,769	72,590,332	8,314,163	5,127,500	0	0	0	140,439,764
Corporate Reserves (Including Capital Receipts)		20,362,768	24,824,207	5,392,472	7,914,376	2,868,051	2,931,858	1,575,651	65,869,383
Revenue & Reserves		25,828,710	25,508,288	37,282,914	28,782,539	23,731,956	22,845,853	53,645,332	217,625,592
Grants		64,900,007	43,779,487	54,121,812	55,219,284	17,986,300	15,871,600	30,079,340	281,957,830
Contributions		7,369,379	8,559,777	12,146,107	9,199,163	1,150,115	1,139,570	1,104,586	40,668,697
Total Financing		172,868,633	175,262,091	117,257,468	106,242,862	45,736,422	42,788,881	86,404,909	746,561,266

RESOURCES AVAILABLE

Specific Resources

	Revised Estimate 2017/18	Estimate 2018/19	Estimate 2019/20	Estimate 2020/21	Estimate 2021 / 22	Estimate 2022 / 23	Expenditure in Subsequent Years	Final Cost
	£	£	£	£	£	£	£	£
Borrowing	0	0	0	0	0	0	0	0
Unsupported Borrowing	54,407,769	72,590,332	8,314,163	5,127,500	0	0	0	140,439,764
Other Capital Receipts	7,661,132	6,807,812	3,053,193	3,277,323	1,458,993	1,400,000	1,400,000	25,058,453
Other Capital Reserves	24,779,710	23,824,138	36,727,914	28,782,539	23,731,956	22,845,853	53,645,332	214,337,442
Other Contributions	4,331,350	1,891,840	1,480,400	2,355,411	1,110,545	1,100,000	1,100,000	13,369,546
Government Grants	2,210,130	0	51,383	0	0	0	0	2,261,513
Other Grants	50,021,127	29,419,860	49,115,686	37,381,686	16,833,000	15,600,000	30,079,340	228,450,699
Sub Total - Specific Resources	143,411,218	134,533,982	98,742,739	76,924,459	43,134,494	40,945,853	86,224,673	623,917,417

Specific Resources Used	143,411,218	134,533,982	98,742,739	76,924,459	43,134,494	40,945,853	86,224,673	623,917,417
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Specific Resources Available	0	0	0	0	0	0	0	0
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Corporate Resources

Corporate Capital Receipts	2,886,844	62,800	1,419,147					4,368,791
Corporate Capital Reserves	36,143,883	3,586,400	0					39,730,283
Corporate S106 Contributions & CIL	13,868,955	2,977,300	4,843,790	1,875,000	0			23,565,045
Capital Settlement - Non Ring Fenced Grants	35,599,462	4,294,298	4,077,800	7,274,000				51,245,560
Corporate Grants	3,734,170	0	0	0				3,734,170
Sub Total - Corporate Resources	92,233,314	10,920,798	10,340,737	9,149,000	0	0	0	122,643,849

Corporate Resources Used	29,457,415	40,728,109	18,514,729	29,318,403	2,601,928	1,843,028	180,237	122,643,849
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Corporate Resources Available	62,775,899	32,968,588	24,794,596	4,625,193	2,023,265	180,237	0	0
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Total Resources Available	235,644,532	145,454,780	109,083,476	86,073,459	43,134,494	40,945,853	86,224,673	746,561,266
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Total Resources Used	172,868,633	175,262,091	117,257,468	106,242,862	45,736,422	42,788,881	86,404,909	746,561,266
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Total Remaining Resources Available	62,775,899	32,968,588	24,794,596	4,625,193	2,023,265	180,237	0	0
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CHILDREN'S SERVICES PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2017	Revised Estimate for 2017/18	Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020 / 21	Estimate for 2021 / 22	Estimate for 2022 / 23	Exp. in Subsequent Years	Final Cost
1	Adaptations to Foster Carer Properties	CROC CorpRsv	85,724 0	64,276 45,000							150,000 45,000
	Sub Total		85,724	109,276	0	0	0	0	0	0	195,000
2	Children's Case Management Software Replacement	CorpRsv	0	422,000	1,485,000						1,907,000
3	Tangier Road Children's Home	CorpRsv	0	330,000	165,000						495,000
4	Beechside Children's Home	CorpRsv	0	55,000							55,000
Grand Total			85,724	916,276	1,650,000	0	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 2017	Revised Estimate for 2017/18	Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020 / 21	Estimate for 2021 / 22	Estimate for 2022 / 23	Exp. in Subsequent Years	Final Cost
1	Indoor Tennis Centre	CorpRsv	54,855								54,855
		OG(DCLG)CD	251,831								251,831
		OC	834,387								834,387
		OR	38,000								38,000
		UBS	28,353								28,353
	Sub Total		1,207,426	0	0	0	0	0	0	0	1,207,426
2	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
	Coastal Communities Bid (ARTches)	CorpRsv	7,461	133,062		5,000					145,523
		CP(DFT)IT	0	100,000							100,000
		OG	1,564,222	4,412							1,568,634
		OG(DCLG)CD	44,972								44,972
		PUSH	40,000								40,000
	Sub Total		1,656,655	237,474	0	5,000	0	0	0	0	1,899,129
4	Drayton Park - Tennis Court Conversion	S106(OS)	135,000								135,000
		CorpRsv	76,475	5,049							81,524
	Sub Total		211,475	5,049	0	0	0	0	0	0	216,524
5	Southsea Seafront Investment - D Day 75	CorpRsv	23,906	103,600	401,366						528,872
		LOT	35,864	3,513,845							3,549,709
		OG	379,814	(193,164)							186,650
		OC	0	302,107							302,107
	Sub Total		439,584	3,726,388	401,366	0	0	0	0	0	4,567,338
6	Relocation of Archive Store to Southsea Library	CorpRsv	19,341								19,341
		OG(DCLG)CD	570,368								570,368
	Sub Total		589,709	0	0	0	0	0	0	0	589,709

CULTURE LEISURE AND SPORT PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2017	Revised Estimate for 2017/18	Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020 / 21	Estimate for 2021 / 22	Estimate for 2022 / 23	Exp. in Subsequent Years	Final Cost
7	Acquisition of 26 Albert Road	CRGG OG(DCLG)CD	0 60,000	187,000							187,000 60,000
	Sub Total		60,000	187,000	0	0	0	0	0	0	247,000
8	Cycle Track Fencing at Mountbatten Centre	OR OG OC	17,000 40,000 17,000	3,000							20,000 40,000 20,000
	Sub Total		74,000	6,000	0	0	0	0	0	0	80,000
	Round Tower Improvement Works	CP(DCSF)CM	0			80,000					80,000
	Sports and Leisure Facilities Investment	UB	0	1,200,000	1,100,000						2,300,000
	Butterfly House at Cumberland House	PR CorpRsv RCCO OC	0 7,500 0 0	164,000 28,000 2,000 5,000	10,000						164,000 45,500 2,000 5,000
	Sub Total		7,500	199,000	10,000	0	0	0	0	0	216,500
12	In-house Parks' Mobilisation - Vehicles & Equipment	CorpRsv	254,263	25,000	20,337	20,400					320,000
13	Kings Bastion	CorpRsv	0		600,000						600,000
14	Charles Dickens' Gardens	CorpRsv CRGG	0 0	9,400 15,600							9,400 15,600
	Sub Total		0	25,000	0	0	0	0	0	0	25,000
15	D Day Museum	CorpRsv	0	165,000							165,000

CULTURE LEISURE AND SPORT PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2017	Revised Estimate for 2017/18	Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020 / 21	Estimate for 2021 / 22	Estimate for 2022 / 23	Exp. in Subsequent Years	Final Cost
16	Contribution Towards Resurfacing South Parade Pier	S106(OS) Croc CILNRsv	0 0 0	29,200 20,800 25,000							29,200 20,800 25,000
	Sub Total		0	75,000	0	0	0	0	0	0	75,000
17	Installation of Shower Facilities at Canoe Lake	CRGG	0	10,000							10,000
18	Watersedge Park Building	CRGG	0	10,000	10,000						20,000
19	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
20	Re-provision of Bandstand at West Battery Gardens	CorpRsv	0		40,000						40,000
21	Pop Up Kiosks - Southsea Seafront	CorpRsv	0	40,000							40,000
22	Modifications to Southsea Library	PR	0	70,000							70,000
23	Mountbatten Centre Floodlights	RCCO UB	0 0	350,000 100,000							350,000 100,000
	Sub Total		0	450,000	0	0	0	0	0	0	450,000
24	Hilsea Lines BMX Pump Track	S106(NEW) CILNRsv	0 0	66,000 19,000	3,000						66,000 22,000
	Sub Total		0	85,000	3,000	0	0	0	0	0	88,000

CULTURE LEISURE AND SPORT PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2017	Revised Estimate for 2017/18	Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020 / 21	Estimate for 2021 / 22	Estimate for 2022 / 23	Exp. in Subsequent Years	Final Cost
25	Kingston Recreation Ground Play Improvements	OC	0	226,000							226,000
		S106(NEW)	0	46,000							46,000
		CILNRsv	0	5,000							5,000
	Sub Total		0	277,000	0	0	0	0	0	0	277,000
26	New Fountain Refurbishment at Southsea Castle	CorpRsv	0	61,600							61,600
		CROC	0	38,400							38,400
		RCCO	0	300,000							300,000
	Sub Total		0	400,000	0	0	0	0	0	0	400,000
	Water Safety Equipment	RCCO	0	50,000	50,000						100,000
28	Rock Garden's Arch	RCCO	0	3,000							3,000
		CILNRsv	0	5,000							5,000
		OC	0	2,000							2,000
	Sub Total		0	10,000	0	0	0	0	0	0	10,000
29	Farlington Pavilion Refurbishment	CorpRsv	0		61,900						61,900
		S106(OS)	0		8,100						8,100
		CILNRsv	0		70,000						70,000
	Sub Total		0	0	140,000	0	0	0	0	0	140,000
30	Lumps Fort Sun Huts Maintenance / Replacement	CorpRsv	0		50,000						50,000
31	Milton Park Barn Thatched Roof	CorpRsv	0		130,000						130,000

CULTURE LEISURE AND SPORT PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2017	Revised Estimate for 2017/18	Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020 / 21	Estimate for 2021 / 22	Estimate for 2022 / 23	Exp. in Subsequent Years	Final Cost
32	Victoria Park Heritage Lottery Fund	CorpRsv	0		175,000	75,000					250,000
		LOT	0			100,000	800,000	1,350,000			2,250,000
	Sub Total		0	0	175,000	175,000	800,000	1,350,000	0	0	2,500,000
33	Disabled Beach Buggies and Access Mat	CROC	0		20,000						20,000
34	Allotment Security Grants	CROC	0		35,000						35,000
35	Outdoor Fitness Equipment	CorpRsv	0		80,000						80,000
	Grand Total		4,840,058	7,280,031	2,944,703	280,400	800,000	1,350,000	0	0	17,495,192

EDUCATION PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2017	Revised Estimate for 2017/18	Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020 / 21	Estimate for 2021 / 22	Estimate for 2022 / 23	Exp. in Subsequent Years	Final Cost
1	Primary Capital Programme	GGR(DCSF)DF	627,703								627,703
		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	166,721							977,993
		GGR(DCSF)TC	121,151								121,151
		CP(DCSF)CM	1,498,859								1,498,859
		CP(EFA)2YR	7,278								7,278
		LOT	26,724								26,724
	Sub Total		15,755,244	166,721	0	0	0	0	0	0	15,921,965
	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	4,490								4,490
		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		10,197,936	0	0	0	0	0	0	0	10,197,936

EDUCATION PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2017	Revised Estimate for 2017/18	Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020 / 21	Estimate for 2021 / 22	Estimate for 2022 / 23	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	642,366	262,457							904,823
		CorpRsv	137,343	42,264							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		6,241,480	308,273	0	0	0	0	0	0	6,549,753
	Sufficiency Programme Phase Two 2015- 2017	CP(DCSF)BN	1,638,321	110,400	414,928						2,163,649
		CorpRsv	990,272	3,522,468	2,369,272						6,882,012
		CROC	300,000								300,000
		CIL	635,710								635,710
		GGR(DCSF)SSEYC	0	726,721							726,721
		OC	0	174,070							174,070
		CP(DCSF)CM	0	72,000							72,000
	Sub Total		3,564,303	4,605,659	2,784,200	0	0	0	0	0	10,954,162
5	Secondary School Feasibility Study	S106(EC)	93,934	56,066							150,000
6	Temporary Accommodation	S106(EC)	300,000								300,000
		CP(DCSF)CM	24,694								24,694
		CP(DCSF)BN	3,296	5,070							8,366
	Sub Total		327,990	5,070	0	0	0	0	0	0	333,060

EDUCATION PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2017	Revised Estimate for 2017/18	Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020 / 21	Estimate for 2021 / 22	Estimate for 2022 / 23	Exp. in Subsequent Years	Final Cost
7	Vanguard Centre	CP(DCSF)BN	143,941	116,596	1,539,100						1,799,637
		CorpRsv	539,463								539,463
		S106(EC)	0		121,900						121,900
		CP(DCLG)DFG	0		39,000						39,000
		OG	0	770,600							770,600
	Sub Total		683,404	887,196	1,700,000	0	0	0	0	0	3,270,600
8	King Richard School Rebuild 900-1000 places	GGR(DCSF)TC	1,251,400								1,251,400
		CorpRsv	102,849	331,255							434,104
	Sub Total		1,354,249	331,255	0	0	0	0	0	0	1,685,504
	Portsmouth College Sufficiency Post 16	CP(DCSF)CM	152,855	670							153,525
		OG(DCLG)CD	92,443								92,443
	Sub Total		245,298	670	0	0	0	0	0	0	245,968
10	Universal Infant Free School Meal Works	OG	582,063								582,063
		CorpRsv	123,450	18,513							141,963
		CP(DCSF)CM	56,476	5,011							61,487
		RCCO	106,100								106,100
	Sub Total		868,089	23,524	0	0	0	0	0	0	891,613
11	Universal Infant Free School Meal Provision	CRGG	22	35,563							35,585
		GGR(DCSF)SSEYC	273								273
		OC	176,388								176,388
		OG(DCLG)CD	415,012								415,012
		CP(DCSF)CM	1,444								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 2017	Revised Estimate for 2017/18	Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020 / 21	Estimate for 2021 / 22	Estimate for 2022 / 23	Exp. in Subsequent Years	Final Cost
12	Salix	UBS	57,533	8,510							66,043
		GGR(DCSF)DF	0	2,946							2,946
		CP(DCSF)CM	5,670								5,670
		CorpRsv	7,800								7,800
	Sub Total		71,003	11,456	0	0	0	0	0	0	82,459
13	St Edmunds SI Provision	CP(DCSF)CM	285,923								285,923
		OC	77,324								77,324
		GGR(DCSF)SF	11,469								11,469
		GGR(DCSF)SSEYC	341								341
		CorpRsv	10,866								10,866
		OG(DCLG)CD	121,329								121,329
	Sub Total		507,252	0	0	0	0	0	0	0	507,252
14	Access SEN Pupils	B	67,529								67,529
		OG(DCLG)CD	85,409								85,409
		CP(DCSF)CM	96,031	8,356							104,387
		CP(EFA)2YR	0	25,894							25,894
	Sub Total		248,969	34,250	0	0	0	0	0	0	283,219
15	ALN Lift Repairs	CP(DCSF)BN	41,033								41,033
		OG(DCLG)CD	1,028								1,028
		CP(DCSF)CM	(979)	1,108							129
	Sub Total		41,082	1,108	0	0	0	0	0	0	42,190
16	Schools Conditions Projects - Modernisation	CP(DCSF)CM	1,126,069	58,964							1,185,033
		GGR(DCSF)DF	123,193								123,193
		CP(EFA)2YR	31,000								31,000
		CorpRsv	0	149,983							149,983
	Sub Total		1,280,262	208,947	0	0	0	0	0	0	1,489,209

EDUCATION PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2017	Revised Estimate for 2017/18	Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020 / 21	Estimate for 2021 / 22	Estimate for 2022 / 23	Exp. in Subsequent Years	Final Cost
17	School Condition Projects 2014-2016	B	1,000								1,000
		UB	42,120								42,120
		CorpRsv	64,026	41,829							105,855
		SRCCO	8,727								8,727
		GGR(DCSF)DF	346,615								346,615
		GGR(DCSF)SF	365								365
		GGNR(DCSF)LAM	33,998								33,998
		CP(DCSF)BN	3,464								3,464
		CP(DCSF)CM	545,280	114,049							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		2,689,162	155,878	0	0	0	0	0	0	2,845,040
	School Conditions Project 2016-17	CP(DCSF)BN	17,182	194,118							211,300
		CP(DCSF)CM	331,436	6,000							337,436
		GGR(DCSF)DF	427,664								427,664
		OC	0	25,000							25,000
	Sub Total		776,282	225,118	0	0	0	0	0	0	1,001,400
19	Secondary School Places Expansion Phase (1)	CorpRsv	0	309,220	420,000						729,220
		CP(DCSF)BN	576,430	136,737							713,167
		CP(DCSF)CM	8,211								8,211
		CROC	0	101,402							101,402
		OC	0	100,000							100,000
	Sub Total		584,641	647,359	420,000	0	0	0	0	0	1,652,000
20	Special Education Needs - Building Alterations	CP(DCSF)BN	64,104	1,058,646							1,122,750
		CP(DCSF)CM	68,810								68,810
		RCCO	0	36,000	1,464,000	500,000					2,000,000
	Sub Total		132,914	1,094,646	1,464,000	500,000	0	0	0	0	3,191,560

EDUCATION PORTFOLIO
CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2017	Revised Estimate for 2017/18	Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020 / 21	Estimate for 2021 / 22	Estimate for 2022 / 23	Exp. in Subsequent Years	Final Cost
21	Schools DFC Balances and devolved 2016-17	GGR(DCSF)DF	0	1,455,470							1,455,470
		GGR(DCSF)DSG	1,366,985								1,366,985
		CorpRsv	0	132,071							132,071
	Sub Total		1,366,985	1,587,541	0	0	0	0	0	0	2,954,526
22	Sufficiency of Secondary School Places	CorpRsv	0		140,704	495,222					635,926
		CP(DCSF)BN	0	100,000	1,650,000	2,230,578	534,200				4,514,778
		CP(DCSF)CM	0		199,296						199,296
	Sub Total		0	100,000	1,990,000	2,725,800	534,200	0	0	0	5,350,000
	Future Secondary School Places	CP(DCSF)BN	0								0
		CorpRsv	0	90,000	30,000						120,000
	Sub Total		0	90,000	30,000	0	0	0	0	0	120,000
24	School Conditions Project 2017-18	OC	0	215,500							215,500
		CP(DCSF)CM	4,850	935,150							940,000
	Sub Total		4,850	1,150,650	0	0	0	0	0	0	1,155,500
25	Beacon View Primary School - Kitchen Block	RCCO	0	45,000							45,000
26	Schools' Conditions Project 2018-19	CP(DCSF)CM	0		1,000,000						1,000,000
		OC	0		100,000						100,000
	Sub Total		0	0	1,100,000	0	0	0	0	0	1,100,000
27	Sufficiency of School Places 2018-19	CP(DCSF)BN	0		265,400	649,900	7,863,500	1,153,300	271,600		10,203,700
		CP(DCSF)CM	0		34,100						34,100
	Sub Total		0	0	299,500	649,900	7,863,500	1,153,300	271,600	0	10,237,800

EDUCATION PORTFOLIO

CAPITAL PROGRAMME

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28	Sufficiency of Special School Places - Redwood Park Academy	CorpRsv OC	0 0		76,400	317,200	1,282,900	377,200			2,053,700 1,000,000
	Sub Total		0	0	76,400	317,200	2,282,900	377,200	0	0	3,053,700
29	Sufficiency of Special School Places - The Willows Centre CP(DCSF)CM		0		45,500	325,000					370,500
		CorpRsv	0		29,500						29,500
	Sub Total		0	0	75,000	325,000	0	0	0	0	400,000
	Milton Childcare Sufficiency	CorpRsv	0		250,000						250,000
31	Forest School at Foxes Forest - Community Accessible Education Centre	CorpRsv	0		125,000						125,000
	Grand Total		47,628,468	11,771,950	10,314,100	4,517,900	10,680,600	1,530,500	271,600	0	86,715,118

ENVIRONMENT & COMMUNITY SAFETY PORTFOLIO

CAPITAL PROGRAMME

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1	Portsea Island - Flood Cell 4: North Portsea Island - Coastal Flood and Erosion Risk Management	OGENV	716,188	6,164,134	6,035,000	5,535,000	4,827,000	4,600,000	4,600,000	2,271,000	34,748,322
2	Air Quality Action plan	GGR(DEFRA)AQME CorpRsv	151,088 0	20,693 15,307							171,781 15,307
	Sub Total		151,088	36,000	0	0	0	0	0	0	187,088
3	Horsea Island Country Park - Fencing	CorpRsv S106(OS) CP(DFT)IT	0 22,209 4,135		5,200 76,773	15,935	10,065				5,200 112,309 14,200
	Sub Total		26,344	(2,608)	81,973	26,000	0	0	0	0	131,709
4	CCTV Upgrades	GGNR(HO)SSC CorpRsv	65,200 0	4,300 80,000							69,500 80,000
	Sub Total		65,200	84,300	0	0	0	0	0	0	149,500
5	CCTV Systems and Control Room Infrastructure	CorpRsv OG(PHE)CS	126,163 15,000	6,800							132,963 15,000
	Sub Total		141,163	6,800	0	0	0	0	0	0	147,963
6	Southsea Enhancement Design	S106(OS) CorpRsv	34,988 0	39,572 31,857	39,572 31,857	39,572 31,857	39,570 31,857	39,570 31,858	39,570 31,858	4,586 31,856	277,000 223,000
	Sub Total		34,988	71,429	71,429	71,429	71,427	71,428	71,428	36,442	500,000
7	Surface Water Separation	CorpRsv	65,000								65,000
8	Emergency Repairs to Southsea Sea Defences	OGENV	598,699	65,992							664,691

ENVIRONMENT & COMMUNITY SAFETY PORTFOLIO

CAPITAL PROGRAMME

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9	Southsea Coastal Flood Defence	OGENV	944,589	4,453,071	5,521,000	7,553,000	10,977,000	9,883,000	10,000,000	26,808,340	76,140,000
		CorpRsv	80,732	169,268	815,100	500,000	1,000,000	1,000,000	1,500,000		5,065,100
		CP(DCSF)CM	0	750,000	184,900	0	0	0	0	0	934,900
	Sub Total		1,025,321	5,372,339	6,521,000	8,053,000	11,977,000	10,883,000	11,500,000	26,808,340	82,140,000
10	Household Waste Collection	CorpRsv	0	86,200	25,000						111,200
11	Old Portsmouth Seawalls' Maintenance	CorpRsv	0	30,000	50,000	40,000	0	0	0	0	120,000
12	Public Toilets New Provision, across the City	CorpRsv	0		125,000						125,000
		PR	0		55,000						55,000
	Sub Total		0	0	180,000	0	0	0	0	0	180,000
13	Wheeled Bins for Refuse	CorpRsv	0		1,120,000						1,120,000
Grand Total			2,823,991	11,914,586	14,084,402	13,725,429	16,875,427	15,554,428	16,171,428	29,115,782	120,265,473

HEALTH AND SOCIAL CARE PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2017	Revised Estimate for 2017/18	Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020 / 21	Estimate for 2021 / 22	Estimate for 2022 / 23	Exp. in Subsequent Years	Final Cost
1	New & Improved Models of Care (East Lodge)	CP(DH)CG	93,744								93,744
		OG(DCLG)CD	587,189								587,189
		CorpRsv	4,043								4,043
	Sub Total		684,976	0	0	0	0	0	0	0	684,976
2	Autism Capital Grants	OG	17,699	801							18,500
3	Reconfiguration of Corben Lodge	S106(Hsg)	59,000								59,000
		CP(DCSF)CM	894,122	196,878							1,091,000
		OC	0	1,186,369	23,631						1,210,000
	Sub Total		953,122	1,383,247	23,631	0	0	0	0	0	2,360,000
4	Refurbishment of Halsea Annexe	S106(Hsg)	110,181	29,819							140,000
	Portsmouth Recovery Centre	OG(PHE)Health	97,938	168,062							266,000
6	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	12,644	221,356	266,000						500,000
		GGR(DH)CAF				51,383					51,383
	Sub Total		12,644	221,356	429,000	551,383	0	0	0	0	1,214,383
7	Assistive Technology	OR	0	150,000	150,000						300,000
8	Shearwater House - Backup Power Supply	CorpRsv	0		50,000						50,000

HEALTH AND SOCIAL CARE PORTFOLIO

CAPITAL PROGRAMME

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9	Oakdene SJH Purchase & Remodelling	OC	0		150,000						150,000
		OG	0		680,000						680,000
		OR	0	20,000	766,750	532,250					1,319,000
	Sub Total		0	20,000	1,596,750	532,250	0	0	0	0	2,149,000
	Grand Total		1,876,560	1,973,285	2,249,381	1,083,633	0	0	0	0	7,182,859

PLANNING, REGENERATION & ECONOMIC DEVELOPMENT PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2017	Revised Estimate for 2017/18	Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020 / 21	Estimate for 2021 / 22	Estimate for 2022 / 23	Exp. in Subsequent Years	Final Cost
1	Palmerston Road Improvements	CorpRsv	326,383	51,377						122,240	500,000
2	City Centre Development - Road	CorpRsv	0				851,159				851,159
		CP(DFT)IT	9,808	500,000	546,091						1,055,899
		UB	8,291								8,291
		OG(DCLG)CD	1,036,008								1,036,008
		CIL	176,080	250,000	4,718,909	10,530,000	4,350,452				20,025,441
		S106(ST)	0				42,900				42,900
		S106(EW)	5,440								5,440
		CRGG	0				18,800				18,800
		LEP	500,000								500,000
		CROC	32,566								32,566
	Sub Total		1,768,193	750,000	5,265,000	10,530,000	5,263,311	0	0	0	23,576,504
	Enterprise Centre Dilapidations	CorpRsv	0	35,000	5,000						40,000
		RCCO	0		25,000	55,000					80,000
	Sub Total		0	35,000	30,000	55,000	0	0	0	0	120,000
4	Dunsbury Hill Farm - Access Road	CorpRsv	128,953	52,093							181,046
		OG(DCLG)CD	568,954								568,954
		OC	4,540,000								4,540,000
		LEP	241,078								241,078
		UB	3,736,819	732,103							4,468,922
	Sub Total		9,215,804	784,196	0	0	0	0	0	0	10,000,000
5	Dunsbury Hill - Utilities & Enabling	UB	3,018,090	8,000,000	1,602,239						12,620,329
6	Dunsbury Hill - Plot 2	UB	2,070,279								2,070,279
		LEP	7,176,000								7,176,000
	Sub Total		9,246,279	0	0	0	0	0	0	0	9,246,279

PLANNING, REGENERATION & ECONOMIC DEVELOPMENT PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2017	Revised Estimate				Estimate for 2020 / 21	Estimate for 2021 / 22	Estimate for 2022 / 23	Exp. in Subsequent Years	Final Cost
				Estimate for 2017/18	Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020 / 21					
7	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	99,089							121,089	
		ORCD	0				1,266,480				1,266,480	
		UB	0		3,128,267						3,128,267	
		CP(DCSF)CM	0	2,245,025	1,477,426						3,722,451	
		CP(DCSF)BN	0		1,553,041			2,925,271			4,478,312	
		CP(DH)CG	654,533								654,533	
		CP(DFT)IT	0				3,451,282				3,451,282	
		CP(DFT)HM	721				2,012,773				2,013,494	
		CP(DCLG)DFG	206,864		459,183						666,047	
		CRGG	0				1,031,772				1,031,772	
		CROC	0				1,438,617				1,438,617	
		MTRS	775,705								775,705	
		ORCD	730,000				1,853,479	6,743,459			9,326,938	
		OR	0				13,392,000				13,392,000	
		CP(EFA)2YR	131,252		200,404						331,656	
		S106(ST)	0		161,376						161,376	
		S106(OS)	0		105,515						105,515	
	Sub Total		6,593,110	2,344,114	7,085,212	15,245,479	21,069,654	0	0	0	52,337,569	
8	Hampshire Community Bank	UB	1,354,525	2,395,475	1,250,000						5,000,000	
		CorpRsv	0	20,000	27,715	15,700					63,415	
		MTRS	0	46,000	36,000	3,300					85,300	
		OC	0	24,280	3,490						27,770	
	Sub Total		1,354,525	2,485,755	1,317,205	19,000	0	0	0	0	5,176,485	

PLANNING, REGENERATION & ECONOMIC DEVELOPMENT PORTFOLIO

CAPITAL PROGRAMME

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9	Limberline Phase III	CorpRsv	459,716	70,000							529,716
		LEP	302,284								302,284
		UB	3,223,572	264,428							3,488,000
		PR	0	115,000							115,000
	Sub Total		3,985,572	449,428	0	0	0	0	0	0	4,435,000
10	City Centre Public Realm Improvements	S106(OS)	0	800							800
		CorpRsv	118,246	156,220	100,034						374,500
		CROC	98,920	22,680							121,600
		CP(DFT)IT	3,100								3,100
	Sub Total		220,266	179,700	100,034	0	0	0	0	0	500,000
	London Road, North End	CorpRsv	51,193	48,807							100,000
		CorpRsv	60,000								60,000
	Sub Total		111,193	48,807	0	0	0	0	0	0	160,000
12	Local Enterprise Partnership	OC	15,000,000								15,000,000
		LEP	58,547,746	32,093,283	14,317,860	34,927,686	19,777,686				159,664,261
		LEP(DCLG)	1,126,426	173,574	1,500,000						2,800,000
		LEP(OG)	6,672,217	417,783							7,090,000
		UB	7,417,100								7,417,100
		CorpRsv	802,300								802,300
		CRGG	456,600								456,600
	Sub Total		90,022,389	32,684,640	15,817,860	34,927,686	19,777,686	0	0	0	193,230,261
13	Re-provision of Children's Home	MTRS	583,000								583,000
		CorpRsv	21,667								21,667
	Sub Total		604,667	0	0	0	0	0	0	0	604,667

PLANNING, REGENERATION & ECONOMIC DEVELOPMENT PORTFOLIO

CAPITAL PROGRAMME

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14	Medina House Refurbishment	CorpRsv	316,000								316,000
		RCCO	128,522								128,522
		OC	0	7,500							7,500
	Sub Total		444,522	7,500	0	0	0	0	0	0	452,022
15	Commercial Property Acquisition Fund	UB	115,353,573	15,042,300	52,519,815						182,915,688
16	Freehold Acquisition of Land Adjacent to MMD	UB	750,000								750,000
		CorpRsv	44,115								44,115
	Sub Total		794,115	0	0	0	0	0	0	0	794,115
	Public Realm Improvement by The Hard	CP(DCSF)CM	0		300,000						300,000
	Guildhall Investment (Match Funding)	CP(DCSF)CM	0		300,000						300,000
19	Purchase of New Depot	UB	2,200,000								2,200,000
		RCCO	150,000								150,000
		CorpRsv	147,089								147,089
	Sub Total		2,497,089	0	0	0	0	0	0	0	2,497,089
20	Civic Offices' Basement Refurbishment	RCCO	3,850	100,000	145,150						249,000
21	Renovation of Victoria Park Lodge	CorpRsv	25,940	74,060							100,000
		OC	0	65,000							65,000
		PR	0	107,200							107,200
	Sub Total		25,940	246,260	0	0	0	0	0	0	272,200
22	Public Realm Improvements - Chaucer House	CWCIL	0	297,000	297,000						594,000

PLANNING, REGENERATION & ECONOMIC DEVELOPMENT PORTFOLIO

CAPITAL PROGRAMME

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23	Portsmouth Area Rape Crisis Service - Building Maintenance	CorpRsv	0		50,000						50,000
24	Acquisition of JV Energy Company	MTRS	0	100,500							100,500
25	City Centre Public Realm 2018-19	CWCil	0		437,200						437,200
		CorpRsv	0		62,800						62,800
Sub Total			0	0	500,000	0	0	0	0	0	500,000
Grand Total			245,585,560	63,606,577	85,329,515	60,777,165	46,110,651	0	0	122,240	501,531,708

COMMERCIAL PORT

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2017	Revised Estimate for 2017/18	Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020 / 21	Estimate for 2021 / 22	Estimate for 2022 / 23	Exp. in Subsequent Years	Final Cost
1	Dredging - Albert Johnson & Flathouse Quays	B CorpRsv	238,500								238,500
		OG(DCLG)CD	2,857,469	6,843							2,864,312
			453,544	(6,843)							446,701
	Sub Total		3,549,513	0	0	0	0	0	0	0	3,549,513
2	Port Infrastructure	CorpRsv	0	(6,843)	655,210						648,367
		CRGG	0		926						926
	Sub Total		0	(6,843)	656,136	0	0	0	0	0	649,293
3	Port Master System	CorpRsv	63,203	75,823	64,000						203,026
		OG(DCLG)CD	24,274								24,274
	Sub Total		87,477	75,823	64,000	0	0	0	0	0	227,300
	Port Regeneration	OG(DCLG)CD	43,362								43,362
		LEP	456,638								456,638
		UB	4,008,387	1,300,000	2,500,000	4,751,613					12,560,000
	Sub Total		4,508,387	1,300,000	2,500,000	4,751,613	0	0	0	0	13,060,000
5	Automatic Line Handling Equipment	MTRS	24,328								24,328
		OG(DCLG)CD	427,792	6,843							434,635
		EUG	28,981	(6,843)							22,138
	Sub Total		481,101	0	0	0	0	0	0	0	481,101
6	Purchase of Linkspan Berth 3	UB	10,000		690,000						700,000

COMMERCIAL PORT

CAPITAL PROGRAMME

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7	Purchase of Linkspan Berth 4	CorpRsv	260,265	739,735							1,000,000
		UB	260,000	7,625,000	115,000						8,000,000
	Sub Total		520,265	8,364,735	115,000	0	0	0	0	0	9,000,000
	Grand Total		9,156,743	9,733,715	4,025,136	4,751,613	0	0	0	0	27,667,207

RESOURCES PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2017	Revised Estimate for 2017/18	Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020 / 21	Estimate for 2021 / 22	Estimate for 2022 / 23	Exp. in Subsequent Years	Final Cost
1	Project Management	CorpRsv	0		44,900						44,900
2	Landlord's Maintenance	CorpRsv	3,180,457	1,348,600	2,658,984						7,188,041
		CP(DCSF)CM	331,301								331,301
		CP(DFI)IT	175,115								175,115
		OG(DCLG)CD	1,859,528								1,859,528
		CMR	65,750								65,750
		CROC	0		291,792						291,792
	Sub Total		5,612,151	1,348,600	2,950,776	0	0	0	0	0	9,911,527
3	Landlord's Maintenance - Capital Contingency	CorpRsv	0	70,000	145,000						215,000
		CRGG	0		149,000						149,000
		CROC	0		47,000						47,000
	Sub Total		0	70,000	341,000	0	0	0	0	0	411,000
	MMD - Capital Advances	UB	7,894,000	2,190,000	494,000						10,578,000
		OG(DCLG)CD	250,000								250,000
	Sub Total		8,144,000	2,190,000	494,000	0	0	0	0	0	10,828,000
5	Port Leased Plant and Equipment	UB	1,915,019	215,981							2,131,000
6	Asset Management System	B	114,558								114,558
		UB	12,250		114,622						126,872
		OG(DCLG)CD	58,587								58,587
	Sub Total		185,395	0	114,622	0	0	0	0	0	300,017

RESOURCES PORTFOLIO
CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2017	Revised Estimate for 2017/18	Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020 / 21	Estimate for 2021 / 22	Estimate for 2022 / 23	Exp. in Subsequent Years	Final Cost
7	Major Repairs to Corporate Property Portfolio	CorpRsv	420,730								420,730
		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		1,162,154	0	0	0	0	0	0	0	1,162,154
	IS Data Centres	CorpRsv	828,746		37,101						865,847
		OG(DCLG)CD	39,453								39,453
	Sub Total		868,199	0	37,101	0	0	0	0	0	905,300
9	Transformation Programme - Customer Management	UB	84,866		31,601						116,467
		OG(DCLG)CD	68,533								68,533
	Sub Total		153,399	0	31,601	0	0	0	0	0	185,000
10	IS Road Map	CorpRsv	112,500	41,400	483,092						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		66,508	166,668					233,176
	Sub Total		783,702	41,400	549,600	166,668	0	0	0	0	1,541,370

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CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2017	Revised Estimate for 2017/18	Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020 / 21	Estimate for 2021 / 22	Estimate for 2022 / 23	Exp. in Subsequent Years	Final Cost
11	HR Self Serve & I Expenses	OR	137,677		5,471						143,148
		MTRS	409,588		13,412						423,000
		OG(DCLG)CD	96,583								96,583
	Sub Total		643,848	0	18,883	0	0	0	0	0	662,731
12	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	1,091,424	615,547							1,706,971
		OG(DCLG)CD	307,669								307,669
	Sub Total		1,399,093	615,547	0	0	0	0	0	0	2,014,640
16	Revenue and Benefits EDMS replacement	CorpRsv	(888)		21,780						20,892
		OG(DCLG)CD	74,108								74,108
	Sub Total		73,220	0	21,780	0	0	0	0	0	95,000
15	Working Anywhere	CorpRsv	172,508	3,000	61,000						236,508
		OG(DCLG)CD	67,344								67,344
		MTRS	47,325								47,325
		CP(DCLG)DFG	626,166								626,166
	Sub Total		913,343	3,000	61,000	0	0	0	0	0	977,343
16	Commercial Letting of Brunel Wing	CorpRsv	494,654	23,551							518,205
		RCCO	40,000								40,000
		OG(DCLG)CD	326,286								326,286
	Sub Total		860,940	23,551	0	0	0	0	0	0	884,491

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Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2017	Revised Estimate for 2017/18	Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020 / 21	Estimate for 2021 / 22	Estimate for 2022 / 23	Exp. in Subsequent Years	Final Cost
17	World War 2 Memorial Guildhall Square	CorpRsv	31,664	(4,664)							27,000
		OC	15,212	4,664							19,876
	Sub Total		46,876	0	0	0	0	0	0	0	46,876
18	PSN CoCo Compliance	CorpRsv	6,118	6,000	86,553						98,671
		OG(DCLG)CD	99,384								99,384
		ITR	30,400		16,447						46,847
	Sub Total		135,902	6,000	103,000	0	0	0	0	0	244,902
	Refurbishment of Data Centre Accommodation	CorpRsv	492,899	64,228	64,229						621,356
		OG(DCLG)CD	88,644								88,644
	Sub Total		581,543	64,228	64,229	0	0	0	0	0	710,000
20	Superconnected Cities	OG	2,929,312								2,929,312
21	Guildhall Internal Works	CorpRsv	0		80,000						80,000
22	IS - Server & Database	CorpRsv	40,960		64,468						105,428
		UB	94,572								94,572
	Sub Total		135,532	0	64,468	0	0	0	0	0	200,000
23	BI Hardware & Implementation	CorpRsv	367,550	141,200	232,700	92,800	46,050				880,300
24	EBS Hardware & Configuration	OR	0	280,800							280,800
		CorpRsv	236,313	(236,313)							0
	Sub Total		236,313	44,487	0	0	0	0	0	0	280,800
25	Channel Shift Phase 1	CorpRsv	494,107	159,000	89,793						742,900

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Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2017	Revised Estimate for 2017/18	Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020 / 21	Estimate for 2021 / 22	Estimate for 2022 / 23	Exp. in Subsequent Years	Final Cost
26	Utilities' Management 2015-16	UB CMR	1,016,489 0	63,511 26,000							1,080,000 26,000
	Sub Total		1,016,489	89,511	0	0	0	0	0	0	1,106,000
27	Utilities' Management 2016-17	UBS CROC	160,430 0	89,570 983,000							250,000 983,000
	Sub Total		160,430	1,072,570	0	0	0	0	0	0	1,233,000
28	Investment in Solar Photovoltaic Cells	UB	1,092,248	857,752							1,950,000
	Council Chamber Modernisation	CorpRsv PR	0	235,000 6,000							235,000 6,000
	Sub Total		0	241,000	0	0	0	0	0	0	241,000
30	Utilities and Energy Management	UB	0	0	515,550	515,550					1,031,100
31	Investment in Solar PV Cells	UB	0	600,000	1,434,000	1,433,000	833,000				4,300,000
32	Guildhall Square Electrical Upgrade	RCCO	0	33,000							33,000
33	Kingston Lodge North Renovation	RCCO	0	130,000							130,000
34	Channel Shift Phase 2	CorpRsv	0		190,700	194,500	197,300				582,500
35	Windows 10 Upgrade & Hardware Refresh	CorpRsv	0		1,800,000						1,800,000
Grand Total			29,993,165	7,946,827	9,253,303	2,402,518	1,076,350	0	0	0	50,672,163

TRAFFIC AND TRANSPORTATION PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp.	Revised					Exp.	Final Cost
			to 31 Mar 2017	Estimate for 2017/18	Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020 / 21	Estimate for 2021 / 22	Estimate for 2022 / 23	
1	Contribution to PFI	HwayPFI	19,234,350	2,504,247	3,358,206	1,879,930	1,502,306	1,449,327	30,276,663	60,205,029
		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	5,440,353	1,327,500	1,227,614	1,151,000				
Sub Total			29,888,447	3,831,747	4,585,820	3,030,930	1,502,306	1,449,327	0	74,565,240
2	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			29,725,390	1,260,110	0	0	0	0	0	30,985,500
3	Northern Road Bridge	UB	331,688							331,688
		OC	90,828							90,828
		GGNR(DFT)LTPTT	529,810							529,810
		OG(DFT)Sec31	10,822,429	135,185						10,957,614
		CP(DFT)IT	60							60
Sub Total			11,774,815	135,185	0	0	0	0	0	11,910,000

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CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2017	Revised Estimate for 2017/18	Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020 / 21	Estimate for 2021 / 22	Estimate for 2022 / 23	Exp. in Subsequent Years	Final Cost
4	Local Transport Plan & Road Safety 3	UB	0	70,000							70,000
		CorpRsv	0	188,743							188,743
		S278	23,644								23,644
		CP(DFI)IT	0	993,041	203,718						1,196,759
		S106(ST)	397,067	(117,784)							279,283
		OG(DFI)TFSHSec31	1,215,414								1,215,414
		CP(DCSF)BN	30,000								30,000
		OG	80,000								80,000
	Sub Total		1,746,125	1,134,000	203,718	0	0	0	0	0	3,083,843
5	The Hard Public Transport Interchange	CIL	0								0
		UB	0	21,101							21,101
		CP(DCSF)BN	2,656,355	709,238							3,365,593
		CP(DFI)IT	12,907								12,907
		CP(DCLG)DFG	135,700								135,700
		OC	4,832,000								4,832,000
		CROC	0	567,092							567,092
		S106(OS)	0	345,800							345,800
		PARK	0	500,000							500,000
		OG(DFI)LSTFSec31	608,732								608,732
		OG(DFI)TFSHSec31	244,355								244,355
		CorpRsv	588,746	544,384							1,133,130
	Sub Total		9,078,795	2,687,615	0	0	0	0	0	0	11,766,410
6	Replace Residential Street Lighting With LED	UB	14,200	199,000	1,058,100	304,200					1,575,500
		UBS	0	384,000	2,441,900	862,800					3,688,700
	Sub Total		14,200	583,000	3,500,000	1,167,000	0	0	0	0	5,264,200
7	Copnor Bridge Maintenance	CorpRsv	21,555	4,890						21,555	48,000
		OC	20,480								20,480
	Sub Total		42,035	4,890	0	0	0	0	0	21,555	68,480

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CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2017	Revised Estimate for 2017/18	Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020 / 21	Estimate for 2021 / 22	Estimate for 2022 / 23	Exp. in Subsequent Years	Final Cost
8	Eastern Rd Waterbridge	CorpRsv	0	212,200	45,000						257,200
		CP(DFT)IT	207,690	857,210							1,064,900
		OG(DFT)Sec31	1,877	376,023							377,900
		OC	71,418	28,582							100,000
	Sub Total		280,985	1,474,015	45,000	0	0	0	0	0	1,800,000
9	Angelsea Road Footbridge	CP(DFT)IT	63,856	236,759	300,000						600,615
		OC	5,385	20,000							25,385
	Sub Total		69,241	256,759	300,000	0	0	0	0	0	626,000
10	Traffic Management Centre - System Review	PARK	325	264,223						16,670	281,218
11	Traffic Signal Upgrade Packages	CorpRsv	186,858	273,842							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	651,000							651,000
	Sub Total		186,858	953,142	0	0	0	0	0	0	1,140,000
12	Isambard Brunel Car Park	PARK	0	50,000	655,000						705,000
13	Variable Message Signs (Incl Seafront)	CP(DFT)NPIF	0	52,000							52,000
		PARK	0	23,800							23,800
		CP(DFT)IT	0	30,000							30,000
	Sub Total		0	105,800	0	0	0	0	0	0	105,800
14	Eastern Corridor Road Link Improvements - Phase 1	CP(DFT)NPIF	0	250,000	250,000						500,000

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CAPITAL PROGRAMME

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15	Improvements to Neighbourhood Living and Street Environment (Including Verge Hardening)	CP(DFT)IT	0	100,000	100,000						200,000
		CorpRsv	71,895	37,924							109,819
	Sub Total		71,895	137,924	100,000	0	0	0	0	0	309,819
16	Old Portsmouth Area Study	CorpRsv	0	30,000	10,000						40,000
17	Milton Road & St Mary's Road	CP(DFT)IT	47,563	12,437							60,000
18	CEO Handheld Devices	PARK	0								0
		CorpRsv	53,916								53,916
	Sub Total		53,916	0	0	0	0	0	0	0	53,916
19	School Enforcement Cameras	PARK	0								0
		CorpRsv	26,346	27,654							54,000
	Sub Total		26,346	27,654	0	0	0	0	0	0	54,000
20	Contactless Parking Metres (Wave & Pay)	PARK	0								0
		CorpRsv	120,750	32,250							153,000
	Sub Total		120,750	32,250	0	0	0	0	0	0	153,000
21	Upgrade Car Park Counting Equipment (link to TMC)	PARK	0	100,000							100,000
22	Bike Hangars	PARK	0	30,000							30,000
23	Spur Analytics, Upgrade, Handheld Upgrade & SiDEM Archiving	PARK	0	65,000							65,000

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CAPITAL PROGRAMME

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24	Co-operative Intelligent Transport Systems	OG	0	285,000							285,000
		CP(DFT)IT	0	18,000							18,000
	Sub Total		0	303,000	0	0	0	0	0	0	303,000
25	Permanent One-way System at Wickham Street	PARK	5,074	144,926	100,000						250,000
26	Cycle Signs and Infrastructure	PARK	0	100,000							100,000
27	Specific Planning Obligations	S106(NEW)	201,684		534,206						735,890
28	Statutory Infrastructure Spend	CILNRsv	0	20,000							20,000
29	Road Safety Scheme	OG(DFT)Sec31	0	78,000	100,000						178,000
30	Cathodic Protection - Hard Interchange	CorpRsv	0		1,192,000						1,192,000
		CROC	0		8,000						8,000
	Sub Total		0	1,200,000	0	0	0	0	0	0	1,200,000
31	Central Corridor	CP(DFT)IT	0		250,000						250,000
32	Eastern Rd Corridor - Phase 2	CP(DFT)IT	0			148,400					148,400
		CorpRsv	0		300,000	51,600					351,600
	Sub Total		0	300,000	200,000	0	0	0	0	0	500,000
33	LTP4	CP(DFT)IT	0		1,500,000						1,500,000
34	Smart Cities - Intelligent Transport System	CorpRsv	0		18,000	500,000					518,000
		OC	0		285,000						285,000
	Sub Total		0	303,000	500,000	0	0	0	0	0	803,000

TRAFFIC AND TRANSPORTATION PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2017	Revised Estimate for 2017/18	Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020 / 21	Estimate for 2021 / 22	Estimate for 2022 / 23	Exp. in Subsequent Years	Final Cost
35	Western Corridor - South	CP(DFI)IT	0		80,000	40,000					120,000
36	Pedestrian Crossing - Henderson Rd	CP(DFI)IT	0		80,000						80,000
Grand Total			83,340,221	14,065,900	14,096,744	4,937,930	1,502,306	1,449,327	0	30,314,888	149,707,316

HOUSING PORTFOLIO (GF)

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2017	Revised Estimate					Exp. in Subsequent Years	Final Cost	
				Estimate for 2017/18	Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020 / 21	Estimate for 2021 / 22			Estimate for 2022 / 23
1	Support For Vulnerable People	CorpRsv	2,347,912							2,347,912	
		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	1,364,940	190,744	195,513	200,400	205,411	210,545	200,000	200,000	2,767,553
		LR(HIP)	891,082	448,891	293,697	6,040	18,691	31,658	0	0	1,690,059
		BCF(DFG)DCLG	1,401,675	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	8,401,675
		OC	0		200,000	500,000	500,000	500,000	500,000	500,000	2,700,000
	OG(DCLG)CD	1,318,131								1,318,131	
	Sub Total		10,274,695	1,639,635	1,689,210	1,706,440	1,724,102	1,742,203	1,700,000	1,700,000	22,176,285
	Removal of Hazards & Risks Within The Home	GGR(DCLG)PSR	372,963								372,963
		LR(HIP)	1,430,528	341,847	150,393	359,153	368,132	377,335	350,000	350,000	3,727,388
		CorpRsv	0		200,000						200,000
	Sub Total		1,803,491	341,847	350,393	359,153	368,132	377,335	350,000	350,000	4,300,351
3	Grants to Registered Social Landlords	S106(Hsg)	265,000	(6,000)							259,000
		CorpRsv	1,994								1,994
		NewS106(Hsg)	0	106,000		380,000	250,000				736,000
	Sub Total		266,994	100,000	0	380,000	250,000	0	0	0	996,994
4	Green Deal Communities	OG	906,779								906,779
		OC	3,949								3,949
	Sub Total		910,728								910,728
Grand Total			13,255,908	2,081,482	2,039,603	2,445,593	2,342,234	2,119,538	2,050,000	2,050,000	28,384,358

HOUSING PORTFOLIO (HRA)

CAPITAL PROGRAMME

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1	HRA Assets (Non Dwelling)	B(HRA)	3,714,358								3,714,358
		CorpRsv	0	58,100	81,000						139,100
		CRec(HRA)			343,500						343,500
		RCCO(HRA)	9,892,586	889,076	175,684	300,184	300,184	300,184	300,184	300,184	12,458,266
		OC	81,368								81,368
		OCRec(HRA)	2,737								2,737
		UB(HRA)	246,614								246,614
		OG(DFT)LSTFSec31	30,000								30,000
	Sub Total		13,967,663	947,176	600,184	300,184	300,184	300,184	300,184	300,184	17,015,943
2	Total Major Repairs Dwellings	B(HRA)	134,210								134,210
		OCRec(HRA)	0	64,263							64,263
		OC	4,891,653	1,434,445	400,000	400,000	400,000	400,000	400,000	400,000	8,726,098
		RCCO(HRA)	103,498,575	18,945,938	18,166,060	18,500,103	18,970,110	21,982,445	22,545,669	23,051,815	245,660,715
		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		121,796,205	20,444,646	18,566,060	18,900,103	19,370,110	22,382,445	22,945,669	23,451,815	267,857,053
3	King William Street	UB(HRA)	0	49,756							49,756
		CRec(HRA)	75,814								75,814
		OCRec(HRA)	657,087		56,759						713,846
		S106(Hsg)	7,000	7,000							14,000
		OC	7,500								7,500
		OG	325,000								325,000
	Sub Total		1,072,401	56,756	56,759	0	0	0	0	0	1,185,916

HOUSING PORTFOLIO (HRA)

CAPITAL PROGRAMME

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4	Southsea Community Centre	UB(HRA)	0								0
		CRec(HRA)	99,837								99,837
		RCCO(HRA)	641								641
		OCRec(HRA)	99,016	500	500,000						599,516
	Sub Total		199,494	500	500,000	0	0	0	0	0	699,994
5	Plot 2 Wellington Street	CRec(HRA)	893,857	46,500							940,357
		UB(HRA)	0	108,500							108,500
		RCCO(HRA)	917,245								917,245
		OCRec(HRA)	1,107,327								1,107,327
	Sub Total		2,918,429	155,000	0	0	0	0	0	0	3,073,429
	Arthur Pope House	UB(HRA)	0	4,500,000	120,000						4,620,000
		CRec(HRA)	355,875	2,250,000	323,045						2,928,920
		RCCO(HRA)	1,732								1,732
		OCRec(HRA)	1,118,269		526,055	125,000					1,769,324
	Sub Total		1,475,876	6,750,000	969,100	125,000	0	0	0	0	9,319,976
7	Development Internal Charges	UB(HRA)	0	50,000							50,000
		CRec(HRA)	56,889								56,889
		OCRec(HRA)	416,591		50,000	50,000	50,000	50,000	50,000	50,000	716,591
	Sub Total		473,480	50,000	50,000	50,000	50,000	50,000	50,000	50,000	823,480
8	Kingsclere Avenue	UB(HRA)	0	1,645,289	3,386,759						5,032,048
		OCRec(HRA)	266,610	279,711	273,419	84,000					903,740
		CRec(HRA)	94,691	825,000	1,568,648	36,000					2,524,339
	Sub Total		361,301	2,750,000	5,228,826	120,000	0	0	0	0	8,460,127

HOUSING PORTFOLIO (HRA)

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2017	Revised Estimate for 2017/18	Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020 / 21	Estimate for 2021 / 22	Estimate for 2022 / 23	Exp. in Subsequent Years	Final Cost
9	Blendworth Crescent	UB(HRA)	0	3,666,700							3,666,700
		OCRec(HRA)	905,482		1,023,700	84,000					2,013,182
		CRec(HRA)	309,797	1,833,300	511,900	36,000					2,690,997
	Sub Total		1,215,279	5,500,000	1,535,600	120,000	0	0	0	0	8,370,879
10	Nessus Street	UB(HRA)	0	401,763							401,763
		S106(Hsg)	0	12,000							12,000
		OCRec(HRA)	67,649	336,278	38,009						441,936
		OG	516,889	143,111							660,000
	Sub Total		584,538	893,152	38,009	0	0	0	0	0	1,515,699
	Holybourne Road	UB(HRA)	0	650,344							650,344
		CRec(HRA)	316,357	278,719	17,719						612,795
		OCRec(HRA)	632,487		41,344						673,831
	Sub Total		948,844	929,063	59,063	0	0	0	0	0	1,936,970
12	Longdean	UB(HRA)	0			447,000	2,660,000				3,107,000
		CRec(HRA)	0			441,000	1,140,000				1,581,000
		OCRec(HRA)	0			582,000					582,000
	Sub Total		0	0	0	1,470,000	3,800,000	0	0	0	5,270,000
13	Highgrove House	UB(HRA)	0				1,634,500				1,634,500
		CRec(HRA)	0			75,000	700,500				775,500
		OCRec(HRA)	0			175,000					175,000
	Sub Total		0	0	0	250,000	2,335,000	0	0	0	2,585,000

HOUSING PORTFOLIO (HRA)

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2017	Revised Estimate for 2017/18	Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020 / 21	Estimate for 2021 / 22	Estimate for 2022 / 23	Exp. in Subsequent Years	Final Cost
14	Eastern Rd New Properties	S106(Hsg)	0	12,000							12,000
		UB(HRA)	0	920,098							920,098
		OG	233,097	156,902							389,999
		OCRec(HRA)	0	500,000	221,603						721,603
	Sub Total		233,097	1,589,000	221,603	0	0	0	0	0	2,043,700
15	Doyle Avenue New Build Properties	OCRec(HRA)	21,928	3,300							25,228
	Replacement Homes	CRec(HRA)	252,266	452,823	256,500	300,000	300,000	300,000	300,000	300,000	2,461,589
		OCRec(HRA)	588,620		355,221	700,000	700,000	700,000	700,000	700,000	4,443,841
		UB(HRA)	0	1,056,588	88,479						1,145,067
		S106(Hsg)	0		299,800						299,800
	Sub Total		840,886	1,509,411	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	8,350,297
17	307 Twyford Ave - Refurbishment for Supported Housing	OCRec(HRA)	0		190,000						190,000
18	4 Target Road - Refurbishment for Supported Housing	OCRec(HRA)	0		66,300						66,300
		CorpRsv	0		33,700						33,700
	Sub Total		0	0	100,000	0	0	0	0	0	100,000
19	69 Goldsmith Ave - Refurbishment for Supported Housing	CorpRsv	0		160,000						160,000
Grand Total			146,109,421	41,578,004	29,275,204	22,335,287	26,855,294	23,732,629	24,295,853	24,801,999	338,983,691

NEW SCHEMES STARTING IN 2018/19

CAPITAL PROGRAMME

Description of Scheme	Scheme Details	Council Contribution / Borrowing £	Total Capital Cost £	Revenue Cost / (Saving) £
Education				
Schools' Conditions Project 2018/19	Addresses urgent school condition issues (Priority 1: Urgent Repairs that require remedy within the next 1-2 years); 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	
Sufficiency of Secondary School Places 2018/19	Provision of additional secondary school places at 3 secondary schools in order to meet increasing demand for secondary school places in the city.	10,237,800	10,237,800	
Sufficiency of Special School Places - Redwood Park Academy	To re-model (not expand) Redwood Park Academy so the school can provide places for children and young people with more complex special educational needs and disabilities. The impact of this is to reduce the need for more expensive out of city placements for these pupils and avoid the need to transport children to school out of the city.	2,053,700	3,053,700	
Sufficiency of Special School Places - The Willows Centre	To increase capacity at The Willows Centre by remodelling internal spaces as classrooms for children with more complex special educational needs and disabilities. This is in response to an urgent increase in demand for Year 1 places for children and will reduce both the need for expensive out of city placements and associated transport costs and pressure on the High Needs Block of the Dedicated Schools Grant.	400,000	400,000	
Milton Childcare Sufficiency	This project will secure childcare capacity and extend family hub services for the most vulnerable.	250,000	250,000	(20,000)
Forest School at Foxes Forest - Community Accessible Educational Centre	Provision of an open learning space for the City's schools' children to experience and learn about nature.	125,000	125,000	

NEW SCHEMES STARTING IN 2018/19

CAPITAL PROGRAMME

Description of Scheme	Scheme Details	Council Contribution / Borrowing £	Total Capital Cost £	Revenue Cost / (Saving) £
Culture, Leisure and Sport				
Farlington Pavilion Refurbishment	A condition survey has identified that replacing the pavilion's roof; other external repairs and decoration; repairs to internal ceilings and floors, and the installation of emergency lighting and extractor fans are necessary.	70,000	140,000	
Lumps Fort Sun Huts' Maintenance	Necessary maintenance of rotten posts, fascia's and timber division screens.	50,000	50,000	
Milton Park Barn Thatched Roof	Replacement of failed thatched roof and associated building repairs to remedy leaks and avoid further water damage.	130,000	130,000	
Victoria Park Heritage Lottery Funding Bid	Before the end of February 2018, the Council will submit a Stage 1 application to the Heritage Lottery Fund to enhance Victoria Park. The application is to the "Parks for People" scheme designed to help conserve valued places at the centre of communities. The total project cost is anticipated to be circa £2.5m. If successful, PCC would be required to make a match-funding contribution of approximately £250,000. The bid would deliver a range of activities and capital works to restore, improve and celebrate the heritage of Victoria Park.	250,000	2,500,000	
Disabled Beach Buggies and Access Mats	Provision of access mats and disabled beach buggies at the seafront.	20,000	20,000	
Allotment Security Grants	Grants to allotment associations towards the cost of installing security.	35,000	35,000	
Outdoor Fitness Equipment	Installation of outdoor fitness equipment in Parks.	80,000	80,000	
Environment and Community Safety				
Public Toilets New Provision, across the City	Installation of new toilet facilities at locations across the City to support tourism and the local economy.	125,000	180,000	
Wheeled Bins for Refuse	Following a successful pilot, this project will roll out 140 litre wheeled refuse bins to circa 50,000 properties suited to a wheeled bin solution.	1,120,000	1,120,000	(283,300)
Health and Social Care				
Shearwater House - Backup Power Supply	Provide a backup power supply to Shearwater House to ensure the continued availability of essential electrical care equipment in the event of a mains power supply failure.	50,000	50,000	

NEW SCHEMES STARTING IN 2018/19

CAPITAL PROGRAMME

Description of Scheme	Scheme Details	Council Contribution / Borrowing £	Total Capital Cost £	Revenue Cost / (Saving) £
Housing & Property				
307 Twyford Avenue - Refurbishment for Supported Housing	Building refurbishment to provide supported accommodation for Adult Social Care clients.	190,000	190,000	
4 Target Road - Refurbishment for Supported Housing	Building refurbishment to provide supported accommodation for Adult Social Care clients.	100,000	100,000	
69 Goldsmith Avenue - Refurbishment for Supported Housing	Building refurbishment to provide supported accommodation for Adult Social Care clients.	160,000	160,000	
PRED City Centre Public Realm 2018/19	This scheme will improve the attractiveness of public realm around the City Centre and improve its vibrancy for residents and visitors.	500,000	500,000	
Resources Landlord's Maintenance	<p>Housing and Property Services have landlord maintenance responsibility for over 2,000 operational assets. Following detailed condition surveys, priority maintenance works totalling £4.9m have been identified at various locations. 2018/19 new scheme proposals includes £2.395m for Landlords' Maintenance works. This is significantly less than the sum required to undertake all works identified. Set out below are indicative amounts for schemes to be evaluated and prioritised:</p> <ul style="list-style-type: none"> - Operational assets £815,000 (e.g. electrical safety, boiler replacement, fire safety, lighting replacement and other essential works) - Eastney Pumping station £150,000 - Portsmouth City Museum £100,000 - Portsmouth Watersports Centre £250,000 - Southsea Castle £200,000 - Gatcombe Park £150,000 - Milton Cemetery Wall £200,000 - The Cenotaph £70,000 - Civic Offices £380,000 - Kingston Cemetery Chapel £80,000 <p>The Director of Property & Housing Services in consultation with other Directors will further prioritise this schedule of identified works to ensure those with highest priority are undertaken up to the value of £2.395m.</p>	2,395,000	2,395,000	

NEW SCHEMES STARTING IN 2018/19

CAPITAL PROGRAMME

Description of Scheme	Scheme Details	Council Contribution / Borrowing £	Total Capital Cost £	Revenue Cost / (Saving) £
Channel Shift - Phase 2	This proposal builds on the initial Chanel Shift programme to provide 24/7 accessible online Council Services. It constitutes a substantial programme of work to continue to transform the council's customer contact arrangements by moving more customer contacts online; further streamlining back office processes and reducing the need for service areas to commission individual back office systems. The programme will enable the council to realise both cashable savings and enable income generation.	582,500	582,500	(431,400)
Windows 10 Upgrade & Hardware Refresh	The project will replace ageing IT equipment. The project involves replacing 2,200 laptops and upgrading a further 600, as well as upgrading to Windows 10 Operating System from Windows 7. Windows 7 support ends January 2020 after which, this operating system will become vulnerable to cyber attack.	1,500,000	1,800,000	
Traffic and Transportation				
Cathodic Protection - Hard Interchange	Cathodic Protection is a method of protecting the under-deck metal supports at the Hard Interchange from corrosion, due to their continued exposure to salt water. This scheme will extend their life and ensure that future maintenance costs are considerably reduced. Without protection the supports will corrode prematurely.	1,200,000	1,200,000	20,000
Western Corridor - South	As part of an overall strategic approach to improve traffic flows through the main arteries of the city, this project will appraise options for improvements to the south of the proposed new city centre road development. It will ensure that the improvements delivered from that project will continue to the major attractions of the Historic Dockyard and Gunwharf Quays, as well as onward destinations from the Hard.	120,000	120,000	
Central Corridor	As part of an overall strategic approach to improve traffic flows through the main arteries of the city, this project will appraise options for improvements to the central corridor road link, which carries a significant amount of local traffic and is an area where there is frequent congestion and a poor road safety record with a high number of casualties, particularly cyclists. The project will also feed into work currently underway investigating options for the Portsbridge Roundabout.	250,000	250,000	

NEW SCHEMES STARTING IN 2018/19

CAPITAL PROGRAMME

Description of Scheme	Scheme Details	Council Contribution / Borrowing £	Total Capital Cost £	Revenue Cost / (Saving) £
Eastern Corridor Road Link - Phase 2	As part of an overall strategic approach to improve traffic flows through the main arteries of the city, and in collaboration with Highways England to compliment any work they have planned for the A27, Phase 1 identified potential improvements to the Eastern Road Corridor. Phase 2 is the implementation of those findings which will reduce congestion and improve vehicle flows along the Eastern Corridor Road Link. Improvements include a potential widening of the corridor; improvements to junctions by a tapered widening of the road to increase visibility onto the A27 and signage which will improve traffic flows onto the A27 reducing congestion on the Eastern Corridor Road Link.	500,000	500,000	
LTP 4	The Local Transport Plan (LTP) is a proactive plan prepared to complement the City Centre development and city centre road plans. The Programme of capital schemes will contribute towards corporate priorities and a range of transport objectives including the priorities of sustainable transport. It includes Road Safety schemes such as speed reduction and improvements to school routes, active travel schemes such as walking and cycling initiatives, pedestrian crossings, traffic signals and improvements to passenger information.	1,500,000	1,500,000	

NEW SCHEMES STARTING IN 2018/19

CAPITAL PROGRAMME

Description of Scheme	Scheme Details	Council Contribution / Borrowing £	Total Capital Cost £	Revenue Cost / (Saving) £
Smart Cities - Intelligent Transport System	<p>As a result of the strong growth agenda, an increase in traffic volume is predicted on Portsmouth's geographically constrained road network. The introduction of 'smart technology' into the transport network will enable greater capacity to be gained on the existing infrastructure, through more efficient operation and informed travel choices.</p> <p>The Parliamentary Under Secretary of State for the Department for Transport has identified Portsmouth as a C-ITS (Cooperative Intelligent Transport Systems) test bed city and so has been awarded funding by the Department for Transport (DfT) to create a pilot 'vehicle to everything' smart technologies project, trialling the latest 'smart city' transport technology to develop best practice and real world applications.</p> <p>Intelligent Transport Systems can help to provide improved, reliable journey times for all modes of transport and increase the accessibility and accuracy of travel information within the city. This project will enable a programme of measures including:</p> <ul style="list-style-type: none"> - Blue-tooth sensors within the city which will facilitate automated traffic counts and calculation of journey times - Expansion of V2X (V2X is a form of technology that allows vehicles to communicate with other parts of the traffic system including vehicle to vehicle) - Trial of 'green signal waves' which will enable emergency, public transport and freight vehicles to be prioritised at traffic light controlled road junctions - Trial of Green Light Optimisation Speed Advisory (GLSOA) which will aid vehicle flows and reduce emissions by reducing the amount of time vehicles are stopped at red traffic lights - Enhanced real time information to the public 	500,000	803,000	
Pedestrian Crossing - Henderson Road	Installation of a pedestrian crossing at Henderson Road leading to improved road safety within the vicinity.	80,000	80,000	
Total of New Schemes Starting in 2018/19 Relying on Available Corporate Resources		25,574,000	29,652,000	(714,700)

PRUDENTIAL INDICATORS

Details of the Capital Programme are contained in Appendix 1

Ratio of Financing Costs to Net Revenue Stream						
	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate
Non - HRA	12.0%	12.5%	13.0%	13.9%	13.9%	13.0%
HRA	4.1%	4.1%	4.0%	7.4%	7.0%	6.7%

Capital Financing Requirement						
	2017/18 Estimate £'000s	2018/19 Estimate £'000s	2019/20 Estimate £'000s	2020/21 Estimate £'000s	2021/22 Estimate £'000s	2022/23 Estimate £'000s
Non - HRA	405,337	467,446	470,077	464,172	456,647	449,426
HRA	171,380	177,260	177,707	179,047	176,093	173,139

HRA Limit on Indebtedness						
	2017/18 Estimate £'000s	2018/19 Estimate £'000s	2019/20 Estimate £'000s	2020/21 Estimate £'000s	2021/22 Estimate £'000s	2022/23 Estimate £'000s
HRA	181,701	181,701	181,701	181,701	181,701	181,701

Authorised Limit for External Debt						
	2017/18 Estimate £'000s	2018/19 Estimate £'000s	2019/20 Estimate £'000s	2020/21 Estimate £'000s	2021/22 Estimate £'000s	2022/23 Estimate £'000s
Borrowing	583,660	594,046	598,130	606,750	608,318	603,476
Other Long Term Liabilities (ie Credit Arrangements)	69,340	66,151	62,377	57,151	51,340	46,032
Total	653,000	660,197	660,507	663,901	659,658	649,508

Operational Boundary for External Debt

	2017/18 Estimate £'000s	2018/19 Estimate £'000s	2019/20 Estimate £'000s	2020/21 Estimate £'000s	2021/22 Estimate £'000s	2022/23 Estimate £'000s
Borrowing	571,324	578,555	582,329	590,633	591,879	586,708
Other Long Term Liabilities (ie Credit Arrangements)	69,340	66,151	62,377	57,151	51,340	46,032
Total	640,664	644,706	644,706	647,784	643,219	632,740

Incremental Impact of Capital Investment Decisions on the Council Tax

	2017/18 Estimate £'000s	2018/19 Estimate £'000s	2019/20 Estimate £'000s	2020/21 Estimate £'000s	2021/22 Estimate £'000s	2022/23 Estimate £'000s
Revenue effect of existing capital programme	579	3,020	5,988	6,430	6,605	6,605
Revenue effect of proposed capital programme	579	3,020	5,561	5,859	5,890	5,890
Increase/(decrease) in revenue effect	0	0	(427)	(571)	(715)	(715)
Increase in Council Tax Band D	£0.00	£0.00	(£7.64)	(£10.22)	(£12.80)	(£12.80)

Incremental Impact of Capital Investment Decisions on Housing Rents

	2017/18 Estimate £'000s	2018/19 Estimate £'000s	2019/20 Estimate £'000s	2020/21 Estimate £'000s	2021/22 Estimate £'000s	2022/23 Estimate £'000s
Revenue effect of existing capital programme	714	621	185	1,861	1,360	478
Revenue effect of proposed capital programme	476	(1,362)	475	627	3,012	563
Increase/(decrease) in revenue effect	(238)	(1,983)	290	(1,234)	1,652	85
Effect on average weekly rent	(£0.31)	(£2.54)	£0.37	(£1.58)	£2.12	£0.11



Title of meeting:	Cabinet City Council
Date of meeting:	Cabinet 12 February 2018 City Council 13 February 2018
Subject:	Portsmouth Youth Offending Team Youth Justice Strategic Plan 2017-19
Report by:	Sarah Newman, Deputy Director Children and Families Services
Wards affected:	All
Key decision:	No
Full Council decision:	Yes

1. Purpose of report

1.1 To seek endorsement of the Portsmouth Youth Offending Team Youth Justice Strategic Plan 2017 - 2019.

1.2 The Youth Justice Strategic Plan 2017 - 2019 requires forwarding to full council for determination in accordance with article 4 of the constitution - namely matters reserved for full council.

2. Recommendations

2.1 That Cabinet notes the achievements made by the Portsmouth Youth Offending Team (YOT) in implementing the plan and endorses the priorities for the team and Management Board in maintaining and developing high levels of practice and performance as well as trying to meet the current challenges.

2.2 That Council endorses the refreshed Youth Justice Strategic Plan 2017 - 19 and recommend that it is approved by Council.

3. Background

3.1 The strategic plan has been updated following a review of the previous plan and in accordance with the current operational and strategic pressures.

3.2 The ongoing principle aim of the YOT and its partners is to contribute to preventing offending (first time entrants FTE's), reduce offending by young people and reduce the numbers of young people going to custody.

3.3 The strategic plan notes some positive achievements since the last review for example the addition of a Child & Adolescent Mental Health (CAMHS) worker to the

team, funded by health, and also a Referral Order and Volunteer Co-ordinator funded by the Office of the Police and Crime Commissioner (OPCC).

3.4 A positive self-audit with respect to reducing custody was also noted as well as very positive findings from an Her Majesty's Inspection of Probation (HMIP) e-survey of young people who have received a service from the YOT.

3.5 The strategic plan, from a risk point of view, acknowledges that there are a number of pressures on the YOT for example:

3.5.1 The number of young people requiring a statutory (and non-statutory) service from the YOT has significantly increased and this has put pressure on the service.

3.5.2 The number of first time entrants (FTE's) to the criminal justice system has increased and is out of kilter with our comparator authorities.

3.5.3 The re-offending rate is similarly concerning.

3.6 It is noted that the causes of higher entrants to the criminal justice system and high re-offending rates are generally linked to much wider societal and partnership issues however the YOT needs to continue to take a lead role in trying to improve this area.

3.7 There are a number of priorities going forward which have been outlined in the strategic plan. These primarily relate to the high number of FTE's and re-offending rates as highlighted above.

3.8 An additional 0.5fte service leader capacity has been added to the YOT to assist with developing the service which will begin in March 2018. It was recognised that the scope of the current service leader, in also working across the South Children's Social Care Locality, was too broad.

3.9 The strategy was endorsed by the Portsmouth Youth Offending Board and submitted to the Youth Justice Board (YJB) who have accepted the plan and commented on:

3.9.1 The positive outcome from the National Standards audit.

3.9.2 The good outcome in ensuring that most supervised young people are suitably accommodated.

3.9.3 The on-going, pro-active effort to reduce the re-offending rate.

3.9.4 The FTE rate, which is currently still higher than expected will be monitored. The YJB are aware that PCC are working hard to reduce it and that it has fallen in Q4 16-17.

4. Reasons for recommendations

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

5. Equality impact assessment

5.1 An equality impact assessment is not required as the recommendations do not have a disproportionate negative impact on any of the specific protected characteristics as described in the Equality Act 2010 for the following reasons:

5.1.1 This is a statutory requirement for us to produce Youth Justice Strategic plan under Section 40 of the Crime and Disorder Act 1998

6. Legal implications

6.1 Section 40 of the Crime and Disorder Act 1998 states:

1) It shall be the duty of each local authority, after consultation with the relevant persons and bodies, to formulate and implement for each year a plan (a "youth justice plan") setting out:

- (a) How youth justice services in their area are to be provided and funded; and
- (b) How the youth offending team or teams established by them (whether alone or jointly with one or more other local authorities) are to be composed and funded, how they are to operate, and what functions they are to carry out.

6.2 There are no other legal comments save that the current plan is consistent with the above Section to ensure that the Council complies with the statutory obligation to have a Youth Justice Plan in place and to review the same.

7. Director of Finance's comments

7.1 The current Youth Offending Team budget relies heavily [almost 50%] on Portsmouth City Council Funding, exceeding the anticipated base contribution level. This requirement will be further increased with the funding of an additional 0.5 fte Service Leader post. This level of funding support is accommodated within the overall Children and Families Service budget, involving a reduction in application of resourcing elsewhere. The YOT Board is aware of this and the Strategic Plan refers to a need for "continued development of shared resources".

Signed by: Sarah Newman, Deputy Director Children and Families Services,
Children, Families and Education

Appendices:

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

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

Title of document	Location
Youth Justice Strategic Plan 2017-19	

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

.....
Signed by:



YOUTH JUSTICE STRATEGIC PLAN 2017-19

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

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Introduction

The principle aims of the Portsmouth Youth Offending Team (PYOT) and its partners are to contribute to preventing offending (first - time entrants), reduce re-offending by young people and reduce the numbers of young people going to custody.

This revised strategic plan is produced in line with statutory requirements (as required under S40 of the Crime and Disorder Act 1998) for the Portsmouth Youth Offending Team. The PYOT is a partnership between Portsmouth City Council, Hampshire and Isle of Wight Constabulary, the National Probation Service and Health.

The overall aim of this document is to review the previous strategy, consider progress and update the strategic plan identifying the current objectives, priorities required to improve service delivery within the Youth Offending Team (YOT).

The challenges facing Portsmouth centre upon the need to:

1. *Protect the public and actual or potential victims*
2. *Maintain effective governance and partnership arrangements*
3. *Protect and safeguard children and young people and reduce their vulnerability*
4. *Ensure that young people serve their sentence*
5. *Reduce the reoffending rate*
6. *Contribute and influence partnerships to reduce the number of First Time Entrants (FTE's) to the criminal justice system*
7. *To ensure we have a sound restorative approach to working with victims and offenders*
8. *To continue to work with partners towards alternatives to custodial sentences*

In order to face these challenges the partnership retains and pursues an ongoing commitment to team development, rigorous quality assurance and comprehensive scrutiny via the PYOT Management Board.

Whilst there is no prescriptive guidance about the format of this review and revised strategic plan the Youth Justice Board requires the following areas to be covered:

1. Introduction (to cover specific mandatory information required by Youth Justice Board)
2. Structure and Governance (including partnership arrangements)
3. Resources and Value for Money
4. Risk to Future Delivery against the youth justice outcome measures

The team is currently fully staffed and arrangements are in place to cover positions should the need arise.

The YOT remains a specialist service within Children and Families Services, and since April 2016 has been better aligned with the multi-agency locality teams so as to promote closer, joined-up working arrangements. As yet the early help strategy has not been effective in reducing first-time entrants to the system and an increase in youth offending work necessitates a full review of the teams' capacity - including structure and leadership.

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Summary of Achievements

AssetPlus is now embedded within the team is now fully staffed including appointing to a Child and Adolescent Mental Health Service (CAMHS) post and a referral Order and Volunteer Co-Ordinator appointed with funding from the Office of the Police and Crime Commissioner (OPCC).

1. There continues to be good communication and integration with other multi-agency professionals. The PYOT manages within the allocated budget performance reporting is continually improving, making greater use of current local data (live reoffending tracker) and to concentrate the performance indicators on key objectives. The monthly team scorecard has been improved to assist the team to focus on priorities.
2. Team meetings and a development morning have continued to support staff.

Ongoing Good Practice

Youth Justice remains integrated within the broader children and families service PYOT continues to have access to regular clinical supervision from Forensic CAMHS, which includes expertise in sexually harmful behaviour.

The use of community resolutions is beginning to develop and expand, and a review of the triage panel has highlighted further opportunities for improvement.

The YOT also managed to ensure that 95% of its young people were in suitable accommodation at the end of 2016/17, which was positive and those which were not generally resolved.

The Partnership's Response to Thematic Inspection Reports

Reducing custody

The YJS thematic self-audit into reducing custody has been completed and returned to the Youth Justice Board (YJB). The following five standards have been considered and judged that the outcomes have been met:

National Standard 3: Bail and Remand Management (Including Remand to Local Authority Accommodation)

National Standard 5: Reports for courts, youth offender panels and civil courts in Anti-Social Behaviour Order proceedings and gang injunctions.

National Standard 6: Work in courts

National Standard 10: Long-term custodial sentences

National Standard 7: Work with victims of crime

The self-audit reached a positive conclusion in five out of the six areas with a positive outcome for the sixth, but recognising that there was room for improvement for our work with victims. It also highlighted that work with victims and young people to embrace a more restorative approach has continued to be a challenge during 2016/17. The challenges have in part related to staffing and volunteer difficulties, as well as reluctance for victims to engage at times. However, it remains an aim to improve this work.

This will be achieved going forward into 2017/18 through the full staffing complement and the recruitment of two Full time equivalent (FTE) Restorative Justice Practitioners and collaboration with the mediation service. The recruitment of volunteers will be improved through recruitment of a staff member to co-ordinate this activity.

Children, Family and Education Services are training the whole workforce in restorative practice as the preferred approach to working with children and families. This includes primary and secondary schools, health services, targeted early help and social care.

Her Majesty's Inspectorate of Probation (HMIP) e-survey 2016/17

The final e-survey report has been received and it identified a number of points including:

- 100% of responders felt they had enough of a say in what went into their referral order contract, supervision and sentence plans which exceeded the England and Wales average.
- 94% of the sample felt that their views were taken seriously, which again exceeded the national average of 80%
- 85% of responders fully understood their referral order contract and a small number of responders need support in fully understanding it.
- 72% of young people understood that they were working with the YOT, because they had broken the law and also highlighted reasons such as losing their temper (56%), hit or hurt someone (39%) or damaged something (33%)
- 67% of young people felt that their learning needs and ability to understand things (33%) or difficulty explaining things (33%) made it harder to take part in work.
- 83% of responders felt their YOT workers did enough to help them take part. One young person felt that they did not do enough.
- 100% of children reported the YOT helped them feel safer
- 91% said they got the help they needed with education, employment and training (EET) issues
- 91% of young people felt things have got better with EET
- 100% felt that things have got better with drug and alcohol use, as well as with their general and mental health
- 100% of young people stated that work with the YOT made them realise that change is possible, although 41% felt that there are things that have stopped them being able to change.
- 76% of young people felt the YOT service has been very good and good most, but not all the time 24%

Whilst the overall number of responders (18) is relatively low it is recognised that this has been an opportunity to further encourage participation from the young people we work with. They have given some very positive messages about the service and how workers engage with them.

HMIP may make some recommendations about how to seek the voice of the child, but at this time no further HMIP surveys are planned. It would be appropriate to consider how the YOT can actively encourage and monitor participation going forward in

2017/18. It is proposed that as part of their AssetPlus assessment young people are encouraged to complete a self-assessment, which covers a number of areas, which would assist with monitoring views on the service.

Structure and Governance

PYOT is overseen by The YOT Management Board chaired by a Superintendent from Hampshire Constabulary with the vice chair being Deputy Director Children and Families Services. There is currently a period of transition with a new Superintendent assuming the chairing role. There is also oversight by senior leadership within Children and Families Services.

The management of the Youth Offending Team changed in April 2017, with the previous Service Leader Adam Shepherd being promoted to Head Assessment and Intervention Services, which oversees the management of the YOT. This has allowed for some continuity of leadership. The two highly experienced Team Leaders remain in post to support the frontline practice of the team.

PYOT has clear strategic links with Portsmouth Safeguarding Children Board (PSCB). Both the Director, Children, Families and Education and Deputy Director, Children and Families Services attend the Board providing robust arrangements for the YOT. The YOT provide an annual update for the PSCB along with sharing information quarterly for the PSCB data set. The online safety officer to the PSCB is situated within the YOT. PYOT has fully implemented AssetPlus, which allows the youth offending team to track that this issue has been considered within our work.

YOT has strategic links to the prevent agenda. David Richards, Service Leader Multi-Agency Safeguarding Hub (MASH) attends the Prevent Board and Channel Panel representing Children and Families Services, including PYOT.

Partnership arrangements

PYOT continues to have good links to other partners including health, education and police services, as well as targeted early help and social care.

Out of Hours Court duty is a shared responsibility with Hampshire YOT and this works effectively. PYOT operates the Junior Attendance Centre (JAC) for the South of the County and Hampshire YOT can also access this provision.

Appropriate Adult services are commissioned and provided by The Appropriate Adult Service (TAAS). A pilot began earlier in 2017, which saw a TAAS providing a shift system of workers in situ at the main police station in Portsmouth. The early indicators are that this is proving to be very successful with there being a more timely response, which benefits both the young person and the police, reducing time in custody, as well as being more cost effective.

Health provision with YOT continues to be well supported through CAMHS and public health with our substance misuse service

The YOT is a multi-disciplinary team based within the Civic Offices is made up of the following personnel:

- Service Leader 1 FTE (shared with South Locality CSC)
- Team Leader (SW) 1 FTE
- Team Leader (Teacher) 1 FTE
- Social Workers (Inc. Youth Justice Practitioners) 6 FTE
- Restorative Justice Practitioner 2 FTE
- Referral Order (and volunteer) Co-ordinator 1FTE
- Education Link Worker 1 FTE
- Police Officer 1 FTE
- CAMHS
- Substance Misuse Practitioner 1 FTE
- Junior Attendance Centre Staff 0.23 FTE
- Probation Officer 1FTE

Resources and Value for Money

YJB	£172,100	27%
OPCC (exc crime prevention)	£76,600	12%
Probation	£5,000	0.8%
OPCC (crime prevention)	£47,600	10%
Other income	£10,000	1.5%
JAC Centre Grant transfer	£20,300	3%
PCC Base Budget	£263,300	41%
PCC Contingency fund	£51,600	8%
Total budget	£646,500	

The PYOT as can be seen has a budget of £646,500 for 2017/18 with 16 FTE (discounting admin). The largest percentage of the PYOT budget is from the Local Authority (49%) the YJB grant equals 27% and OPCC funding equals 12%. Probation provides one full-time member of staff and £5,000, the Police provide one officer and one FTE administrator. Public Health provides a substance misuse worker and CAMHS provide a specialist worker (32 hours).

Portsmouth City Council run the Junior Attendance Centre and receives a grant of £42,800 in addition to the above which pays for a manager for the JAC and three staff.

Budget

Expenditure	
➤ Staffing Costs	£503,500
➤ In Kind Staffing	£76,600
Central Costs	
➤ Premises	£400
➤ Transport	£14,600
➤ Supplies and Services	£46,500
➤ Third Party Payments	£35,800
Total	£677,400

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Junior Activity Centre

Expenditure	
➤ Staffing	£10,600
➤ Other	£12,100
Total	£22,700
Funding	
➤ YJB Funding	£43,000

Risk to Future Delivery against the Youth Justice outcome measures

1. Increasing number of young offenders requires that the structure and leadership of the YOT is reviewed.
2. Future reduction in financial or partnership resources - the YJB grant has potential to be subject to an in-year reduction which makes forward planning difficult.
3. Ongoing bids to the OPCC for funding projects can also create uncertainty recruiting to projects and temporary contracts.
4. The current challenges of addressing the first time entry (FTE) rate and the re-offending rate is causing a challenge to the YOT. The FTE rate is accepted to be a wider partnership issue, but the YOT needs to take a lead role in this matter. Similarly ongoing challenges in using historical re-offending data cause pressures.
5. The police have changed local practice in referring children unnecessarily to the triage panel, which has caused a surge in cases.

These risks will be mitigated by:

1. Ensuring the team has adequate capacity to manage workload to a high service.
2. Robust financial planning and continued development of shared resources with partner agencies.
3. Monitoring of YOT Management Board attendance by the chair with appropriate follow up if there is non-attendance.
4. Encouraging the Board to have confidence in the local reoffending tracker and to continue to explore if post-18 data can be incorporated into the live tracker.
5. Ensure triage continues to be fit for purpose in meeting responsibilities to both divert and appropriately escalate.
6. The police are exploring their current practice in referring children to the YOT as part of their community resolution process.

Priorities

- a) Using the review of what works to improve opportunities to divert young people engaging in criminal/problematic behaviours from the criminal justice system; creating opportunities for assessments at triage panel to inform intervention decisions.
- b) Working with local solicitors to support children to avoid unnecessary court action and allow use of triage.
- c) Review the use of the junior attendance centre and explore whether more young people could benefit.
- d) Utilising the re-offending data to reduce offending.
- e) Influencing opportunities across the system to engage restoratively with young people/families to change behaviours
- f) Keeping abreast of innovation across the youth justice landscape to build on what is working.

Action Plan

Outcome	Service Activity	Team lead officer	Target	Actions
<p>1. Young people not to reoffend</p> <p>Reducing the re-offending rate by utilising the data</p>	<p>Assessments</p> <p>Offending behaviour programmes</p> <p>QA of work undertaken</p> <p>Consider research and best practice</p>	<p>Case holder</p> <p>YOT</p> <p>Service/ Team Leader</p>	<p>Live Tracker to be < 36%</p>	<p>Regular good-quality AssetPlus assessments.</p> <p>Monitor timeliness of assessments and sign off</p> <p>Selection of group and 1-1 work and reparation.</p> <p>Clear audit trail to evidence quality and effectiveness of work, including implementation of AssetPlus quality assurance tool.</p> <p>Review the use of the JAC</p>
<p>2. To reduce first-time entrants to criminal justice system</p> <p>Using a review of what works to improve opportunities to divert young people engaging in criminal/problematic behaviours from the criminal justice system; considering how to use</p>	<p>Review what works to improve opportunities to divert young people engaging in criminal/problematic behaviours from the criminal justice system; creating opportunities for assessments at triage panel to inform intervention decisions to include considering if early help assessment is appropriate.</p> <p>As part of a wider strategy work with police and solicitors to make children aware that 'no comment' interviews</p>	<p>Service Leader/ Head of Service/Police Sergeant</p> <p>Police/ YOT</p>	<p>Rate of entry per 100,000 to be under 326</p>	<p>Review overall strategy to reduce FTE's including a review of the effectiveness of triage</p> <p>Weekly triage meetings.</p>

Outcome	Service Activity	Team lead officer	Target	Actions
triage panel to support this	will not enable them to qualify for an out of court disposal. Ongoing weekly triage meetings Consider if early help assessment appropriate through triage			Referral to MASH for Early Help Assessment
3. To continue to work towards young people not needing to receive custodial sentences	Offending behaviour programmes Assessments Court reports	Service/Team Leaders Case Holders	Less than 0.35 per 1000 young people per year receive custodial sentences (Approx 8)	Good quality assessment and plans to address needs, risks and vulnerabilities. To produce robust interventions. Good quality reporting to Court with clear and robust community intervention plans.
4. Working Restoratively	Influencing opportunities across the system to engage restoratively with young people/families to change behaviours Development of restorative practices across the wider children's workbase.	Restorative Justice Officers Team/Service Leads		Offer victims and perpetrators the opportunity to access a restorative justice approach. Restorative approach training rolled out across children's services

Outcome	Service Activity	Team lead officer	Target	Actions
5. To have a skilled workforce, with the knowledge and skills to carry out the work	Social Work Matters Academy/ Learning and Development Staff Supervision Regular Team Meetings	Service Leader Service/ Team Leader Service Leader	90% monthly Fortnightly	Ongoing RJ conference training to new practitioners and volunteers. Motivational Interview Training has been commissioned. Annual personal development reviews (PDRs) Further explore court writing skills course
6. Ensure ethnicity, cultural/religious needs and disability are considered and understood in the work we do	Equality and Diversity Training Core+ Case Management	Service/Team Leaders YOT practitioners	100%	To be appropriately recorded. Monitored through weekly caseload report.
7. Evidence that views of children and families are shaping the service delivery	Complaints are responded to within timescale Child and family views recorded in AssetPlus User feedback is sought and acted upon	Service/Team Leaders Case Holders YOT practitioners	100% 100% 57 feedbacks	Complaint investigated and response sent. YOT practitioner seeks view of child and family in AssetPlus. Discussion with Service users. Closure feedback AssetPlus self-assessment Use of Viewpoint.

Outcome	Service Activity	Team lead officer	Target	Actions
8. Integrated response to young people going missing from home, at risk of exploitation and trafficked young people	<p>Increased understanding of county lines across children's services</p> <p>Representation at Missing Exploited Trafficked (MET) Meeting</p> <p>Staff to have awareness and understanding of missing/CSE/Trafficked Protocol</p> <p>Completed vulnerability assessments on all children identified as at risk of missing/CSE/Trafficking.</p> <p>Risk Mapping Database</p>	<p>Service/Team Leader</p> <p>Case Holders</p> <p>Substance Misuse Worker</p>	100%	<p>Sharing literature. Discussions of operational links with partners engaging in the County Lines project.</p> <p>MET to remain on fortnightly team meeting agenda.</p> <p>Practitioners to give good-quality and relevant feedback for MET. Representative on Operational MET Board.</p> <p>Expand database to correlate with information on MET spreadsheet to reduce need for both.</p>
9. Tasks achieved in line with National Standards	<p>Assessments - AssetPlus</p> <p>Contacts</p> <p>National Standards Audit</p> <p>Quality Assurance</p>	<p>Case Holder</p> <p>Head of Service/Service Leader/Team Leaders</p>	90%	<p>Completed by Case Holder.</p> <p>Young person to be seen in line with their status.</p> <p>Staff supervision</p>

10. Quality Assurance	Ensure that standards are met within the team and within partnerships	Service / Team Leaders		Supervision Sign off of assessments and court reports Multi-agency audit
11. Working Innovatively	Keeping abreast of innovation across the youth justice landscape to build on what is working. <ul style="list-style-type: none"> • Thematic audits • Good practice • Head of Service meeting • YJB Newsletter 			Team meetings and managers meetings developing the service with a knowledge of what works.

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Agenda item:

Title of meeting: City Council
Date of meeting: 13 February 2018
Subject: Review of Political Proportionality on Committees and Panels
Report by: Chief Executive
Wards affected: N/A
Key decision: No

1. Purpose of report

Following the recent change in Group strengths on the Council with former Councillor Hastings resigning in December 2017 there is a consequent need under the Local Government and Housing Act 1989, to review the allocation of committee seats.

2. Recommendations

2.1 That Council

- (a) **Determine the allocation of seats on committees and panels based on the information set out overleaf, having regard to any agreement between the affected Group and Members**
- (b) **Ratify consequent named membership changes proposed at the meeting.**
- (c) **Appoint Chair of Economic Development, Culture & Leisure Scrutiny Panel and Chair and Vice-Chair of Traffic, Environment & Community Safety Scrutiny Panel**

3. Background Information and implications

As a result of the Group strengths change and consequent seats on committees are as shown in Table 1 overleaf (the figures in brackets indicate the position prior to the change)

Impact on Committee/Panel Places

Before the change in group strengths, the Conservative Group allocation on a strict arithmetical basis, was 38, however as no Group legally can have a majority of any Committees unless it has an overall majority of Members on the Council, it could not therefore take up its full allocation.

Consequently, whilst the Conservative Group size has decreased, along with the number of Councillors on the Council, this has not affected the number of seats it currently fills.

Former Councillor Hastings held six Conservative seats -

Economic Development, Culture & Leisure Scrutiny Panel (Chair)

- Governance & Audit & Standards Committee
- Licensing Committee
- Planning Committee
- Scrutiny Management Panel
- Traffic, Environment & Community Safety Scrutiny Panel (Chair)

All six above vacancies are Conservative appointments, on the understanding that the Conservative Group wish to continue to gift their allocated seat on the Education, Children and Young People Scrutiny Panel to Councillor Godier as one of the non-aligned Independent Members.

There is also an existing unfilled position of Vice-Chair on the Traffic, Environment and Community Safety Scrutiny Panel which has not previously been determined.

No other Groups on the Council are affected by this change in Group strengths.

Consequently the total number of seats be divided as follows:



Table 1.

Groups	1	2	3	4	5	6
	No of Cllrs	Total No of Committee Seats	Licensing Committee (15 Members)	Planning Committee (10 Members)	7 committees and panels (see note) (6 Members each)	Scrutiny Management Panel (9 Members)
Conservative	20 (21)	*37 (37)	7	5	21 (21)*	4
Liberal Democrat	15	27	5	4	15	3
UKIP	2	4	1	1	1	1
Labour	2	4	1	0	2	1
Non-Aligned Independent PG	1	2 plus 1 gifted*	1	0	1 plus 1 gifted*	0
Non-Aligned Independent JF	1	2	0	0	2	0
	41	76	15	10	42	9

*Conservative group gifted to Councillor Godier 1 seat on the Education, Children and Young People Scrutiny Panel (within Group 5 of the above table).

The Group 5 section of appointments are consequently as follows:

Table 2.

Political Group	Employment Committee	Governance & Audit & Standards Committee	Health Overview Scrutiny Panel	Education, Children and Young People Scrutiny Panel	Economic Development, Culture and Leisure Scrutiny Panel	Traffic, Environment and Community Safety Scrutiny Panel	Housing and Social Care Scrutiny Panel
Conservative	3	3	3	2	3	3	3
Liberal Democrat	2	2	2	3	2	2	2
UKIP							1
Labour			1		1		
Non-Aligned independent (PG)				1* (Gifted)		1	
Non-Aligned independent (JF)	1	1					
Totals	6	6	6	6	6	6	6

- 4. **Legal Implications** - legal comments are embodied in the report
- 5. **Finance Comments** - none in relation to this report

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Signed by:

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

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

Title of document	Location

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

.....
Signed by: