



NOTICE OF MEETING

CABINET

TUESDAY, 6 NOVEMBER 2018 AT 12.00 PM

EXECUTIVE MEETING ROOM - THE GUILDHALL, FLOOR 3

Telephone enquiries to Joanne Wildsmith, Democratic Services Tel 9283 4057

Email: joanne.wildsmith@portsmouthcc.gov.uk

If any member of the public wishing to attend the meeting has access requirements, please notify the contact named above.

Membership

Councillor Gerald Vernon-Jackson CBE (Chair)

Councillor Steve Pitt (Vice-Chair)

Councillor Dave Ashmore

Councillor Ben Dowling

Councillor Suzy Horton

Councillor Darren Sanders

Councillor Jeanette Smith

Councillor Lynne Stagg

Councillor Matthew Winnington

Councillor Rob Wood

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

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

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

AGENDA

1 Apologies for Absence

2 Declarations of Interests

3 Record of Previous Decision Meeting - 9 October 2018 (Pages 5 - 10)

A copy of the record of the previous decisions taken at Cabinet on 9 October 2018 is attached.

RECOMMENDED that the record of the decisions taken at Cabinet on 9 October 2018 be approved as a correct record and signed by the Leader.

4 Treasury Management Mid-Year Review 2018/19 (Pages 11 - 22)

The purpose of the report by the Director of Finance and Information Technology (Section 151 Officer) is to recommend some minor updates to the Council's MRP policy following discussions with the Council's external auditors, and to inform members and the wider community of the Council's Treasury Management position at 30 September 2018.

RECOMMENDED to Council:

- (1) If the carrying (market) value of an investment property falls below the original value of unsupported borrowing incurred to acquire the investment property excluding fees and other associated costs, minimum revenue provision (MRP) will be charged over the residual life of the property on the shortfall between the current property value and the value of borrowing.**
- (2) Minimum revenue provision (MRP) be provided on equity shares over 25 years on an annuity basis.**
- (3) It be noted that there have been no breaches of the Treasury Management Policy 2018/19 in the period up to 30 September 2018.**
- (4) The actual Treasury Management indicators for September 2018 in Appendix A be noted.**

5 Healthy Child Programme - future commissioning arrangements (Pages 23 - 34)

Purpose: Contracts securing the provision of public health nursing (health visiting, school nursing and Family Nurse Partnership (FNP)) services from Solent NHS Trust are due to end on 30th June 2019. Arrangements need to be made to ensure continued provision of these services from 1st July 2019. This paper by the Director of Children, Families and Education seeks a decision from Cabinet members for the future commissioning arrangements.

RECOMMENDED that the Cabinet:

- (1) Approves that the preferred option is selected to secure future provision of the Healthy Child Programme for Portsmouth families. The preferred option is, subject to the appropriate statutory consultation, to establish a partnership agreement between Portsmouth City Council and Solent NHS Trust under Section 75 of the National Health Service Act 2006 from 1st July 2019 for a term of three years, with possible further extension;**
- (2) Delegates authority to the Director, Children, Families and Education, in consultation with**
 - the Cabinet Member for Health, Wellbeing and Social Care,**
 - the Cabinet Member for Children and Families,**
 - the Director of Public Health,**
 - the Section 151 officer (or their representative) and;**
 - the City Solicitor (or their representative)****to enter into negotiations with Solent NHS Trust and to approve the terms of the Section 75 agreement; and**

(3) Authorises the City Solicitor to prepare and to execute the Section 75 Agreement to give effect to the terms approved as above.

6 Income Generation Strategy 2018/19 to 2023/24 (Pages 35 - 60)

The report by the Director of Finance and Section 151 Officer sets out to describe the Administration's strategy for income generation over the next 5 years within the overall context of the Council's Medium Term Financial Strategy. The proposed Income Generation Strategy is a significant contributor to the overall Medium Term Financial Strategy for the Council which seeks to achieve £12m of savings (or more if necessary) over the next 3 years.

RECOMMENDED that:

- (1) The proposed Income Generation Strategy 2018/19 - 2023/24 is approved;**
- (2) The underpinning financial framework required to support the delivery of the Income Generation Strategy and the wider Medium Term Financial Strategy is noted.**

Members of the public are 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.

Whilst every effort will be made to webcast this meeting, should technical or other difficulties occur, the meeting will continue without being webcast via the Council's website.

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

30 October 2018

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Agenda Item 3

CABINET

RECORD OF DECISIONS of the meeting of the Cabinet held on Tuesday, 9 October 2018 at 12.00 pm at the Guildhall, Portsmouth

Present

Councillor Gerald Vernon-Jackson CBE (in the Chair)

Councillors Steve Pitt
Dave Ashmore
Ben Dowling
Suzy Horton
Darren Sanders
Jeanette Smith
Lynne Stagg
Matthew Winnington
Rob Wood

38. Apologies for Absence (AI 1)

David Williams, Chief Executive, had submitted his apologies for absence and was represented by Michael Lawther. Chris Ward, the Director of Finance and Section 151 Officer was represented by Richard Webb.

39. Declarations of Interests (AI 2)

There were no declarations of members' interests.

40. Record of Previous Decision Meetings - 6 July and 10 August 2018 (AI 3)

DECISION: the records of decisions taken by Cabinet at meetings held on 6 July and 10 August 2018 were approved as correct records.

41. Portsmouth Youth Offending Team (YOT) Annual Youth Justice Strategic Plan 2018-19 (AI 4)

Councillor Rob Wood, as Cabinet Member for Children and Families, commended the report and was pleased with the positive messages contained in it, such as the reduction in the number of first time entrants to the system.

RECOMMENDED to Council to approve the plan and the priorities set out within it.

42. Safer Portsmouth Partnership (SPP) Plan 2018-20 (AI 5)

Councillor Dave Ashmore, as Cabinet Member for Environment and Community Safety, supported the plan which showed that whilst the focus areas mainly remained the same, there were advances in technology to aid

progress and further work into the identification of causes of behaviours. The Cabinet members added their support, and it was confirmed by the City Solicitor that this required to go through Cabinet to be endorsed by the full Council.

RECOMMENDED that Council endorses the long term strategic priorities contained in the Safer Portsmouth Partnership Plan 2018-20 (appendix 1) and aligns the relevant budgets to support activity in line with Section 17 Crime and Disorder Act 1998 (as amended).

43. Provision of additional Community Wardens (AI 6)

Colette Hill, Assistant Director Neighbourhoods, has worked with the Cabinet Members for Housing and Environment & Community Safety to shape the proposed additional resource. The additional wardens would work with the existing community wards and this would enable the hours of cover to be extended (as set out in the report). Appendix B of the report set out the financing which included some Housing Revenue Account funding to enable response to issues at local authority housing, as well as Environment & Community Safety funding and flexible homeless support grant. The funding would need to be reviewed after 1 year.

Councillor Ashmore, as Cabinet Member for Environment & Community Safety, welcomed the doubling of community wardens which would increase safety and the feeling of safety in the city. Councillor Wood welcomed the extension of hours until 2am to help combat anti-social behaviour.

Cabinet members also commented on the value of the community warden service in local communities where they gained trust and undertook an important preventative role.

Councillor Pitt, as Deputy Leader, wished to place on record appreciation for the work of Community Warden team for helping to prevent problems by intervening in a friendly and non-confrontational way.

DECISION: the Cabinet approved the proposal to redesign the Community Warden Service on a trial basis until March 2020.

44. Revenue Budget Monitoring 2018/19 Quarter 1 to end June 2018 (AI 7)

Richard Webb, representing the Director of Finance and Section 151 Officer, presented the report which showed an outturn position of an overspend of £3.36m. He drew members' attention to paragraph 7.4 which outlined the most significant areas of overspend in Children's and Adult Social Care.

Councillor Vernon-Jackson CBE, as Leader of the Council, accepted that the report was of concern but measures were in place to target reductions in overspend and assess why the numbers of children in care were increasing and expensive placements were used outside of the city. Work was also continuing to press the government to fully reimburse the costs of children

who are unaccompanied asylum seekers. Work was also taking place to assess the pressures in Adult Social Care which were shared with the NHS.

Councillor Rob Wood, as Cabinet Member for Children and Families, commented on the inherited position for his portfolio, the national situation and the need to ensure that the budget was correct for the numbers of children PCC dealt with. Councillor Matthew Winnington, Cabinet Member for Health, Wellbeing and Social Care, reiterated that the overspend position was being closely monitored to seek to reduce this during the year and he thanked the officers for their assistance. Work would also continue with partner agencies and other local authorities. A potential government grant for Adult Social Care had recently been announced for 2018/19 (but allocations were yet to be made).

DECISIONS:

(1) The forecast outturn position for 2018/19 was noted:

(a) An overspend of £4,980,800 before further forecast transfers from/(to) Portfolio Specific Reserves & Ring Fenced Public Health Reserve

(b) An overspend of £3,366,400 after further forecast transfers from/(to) Portfolio Specific Reserves & Ring Fenced Public Health Reserve.

(2) Members noted that any actual overspend at year end will in the first instance be deducted from any Portfolio Specific Reserve balance and once depleted then be deducted from the 2019/20 Cash Limit.

(3) Members noted that the overall financial forecast for Quarter 1 for the whole Council is a serious cause for concern with significant forecast overspends in the highest spending areas of Children's and Adult Social Care which in aggregate amount to £8,223,600 and the extent to which this cannot be remedied in the medium term will add to the Council's £4m per annum savings requirements for future years.

(4) Directors, in consultation with the appropriate Cabinet Member, will consider options that seek to minimise any forecast overspend presently being reported and prepare strategies outlining how any consequent reduction to the 2019/20 Portfolio cash limit will be managed to avoid further overspending during 2019/20.

45. Development Programme Funding (5 sites) (AI 8)

The Director of Regeneration's report was presented by Natascha McIntyre-Hall, Assistant Director, Strategic Developments, who explained the aims for the provision of good quality homes that local people can afford. These were the first set of properties to be brought forward, with others being worked on in a cross departmental way.

Deputations were made - these are not minuted in full but can be viewed as part of the webcast meeting here:

<https://livestream.com/accounts/14063785/Full-Cabinet-09Oct2018>

- i) Cal Corkery - challenging the affordability of the housing schemes and ratio of affordable homes being provided
- ii) Councillor Judith Smyth - encouraging further work to maximise genuinely affordable housing on all sites in the city
- iii) A written deputation had been circulated from Councillor Luke Stubbs which had been read by the cabinet members

Councillor Dowling, as Cabinet Member for Planning, Regeneration and Economic Development, explained the role of the Development Programme Enabling Board (DPEB), which would also look at other corporate priorities, such as community use as well as taking an intervenist approach to increase housing opportunities. He stressed that this portfolio of sites were part of a wider a programme of regeneration which would be progressed swiftly and efforts would be made to maximise affordable housing across the sites.

Councillor Sanders, as Cabinet Member for Housing, was keen for key workers to also be prioritised, and referred to a separate bid for 200 more affordable houses on council land which would help with homelessness. Lobbying was continuing for the removal of the borrowing cap to help ensure that the housing needs of the city were met.

Councillor Rob Wood had been spoken to as a ward councillor for 3 of the sites, and supported the social balance to the schemes.

The Leader thanked the deputations for their input and stressed that joint work would continue on taking these developments forward. Councillor Udy was present and took the opportunity to ask about the current use Brewery House in her ward.

DECISIONS - The Cabinet:

- (1) Noted the cross directorate engagement undertaken to identify the five sites and the officer recommendations.**
- (2) Approved the principle of redevelopment of the five sites for the purposes of housing delivery, subject to a planning permission being granted.**
- (3) Delegated to the Section 151 Officer, in consultation with the Leader, Cabinet Member for PRED, Cabinet Member for Housing and Director of Regeneration, to agree the development strategy and preferred delivery route for each site, subject to a business case review, with a view to maximising affordable housing across the 5 sites to meet local housing need.**
- (4) Delegated authority to the S151. Officer to lend monies to the Arms-Length Development Company (ALDC from hereon in referred to as Ravelin) within the limits of the Council's treasury Management Strategy and following production of a full and proper financial appraisal demonstrating viability of each project.**

- (5) **Approved in principle the appropriation of land between the Council and Ravelin, to deliver the five site projects. The transfer of land will be delegated to the relevant Cabinet Member dependant on the site ownership and the Section 151 Officer with the timing of this subject to a final project specific business case being approved. All transfer will be carried out in line with treasury guidance using red book valuations.**

46. Exclusion of Press and Public (AI 9)

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

Minute 47 - Property Investment Fund (appendix 3 only) - exemption paragraph 3 relating to financial or business affairs

(following the passing of the resolution it was agreed that members of the press and public did not need to leave the room so long all present refrained from mentioning information contained in the exempt appendix to the open report)

47. Property Investment Fund (information report) (AI 10)

Councillor Vernon-Jackson CBE, as Leader, thanked Tom Southall (Assistant Director Property & Investment) for his information report which was useful and he reiterated the desire to invest in Portsmouth.

The information report was noted.

The meeting concluded at 12.50 pm.

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Councillor Gerald Vernon-Jackson CBE
Leader of the Council

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Agenda Item 4

Title of meeting:	Governance and Audit and Standards Committee Cabinet City Council
Date of meeting:	Governance and Audit and Standards Committee 2 November 2018 Cabinet 6 November 2018 City Council 13 November 2018
Subject:	Treasury Management Mid-Year Review 2018/19
Report by:	Director of Finance and Information Technology (Section 151 Officer)
Wards affected:	All
Key decision:	No
Full Council decision:	Yes

1. Executive Summary

This report recommends some minor updates to the Council's policy on providing for the repayment of debt, known as its minimum revenue provision (MRP) policy, and outlines the Council's performance against the treasury management indicators approved by the Council on 20 March 2018.

2. Purpose of report

The purpose of the report is to recommend some minor updates to the Council's MRP policy following discussions with the Council's external auditors, and to inform members and the wider community of the Council's Treasury Management position at 30 September 2018.

In March 2009 the Chartered Institute of Public Finance and Accountancy (CIPFA) Treasury Management Panel issued a bulletin relating to Treasury Management in Local Authorities. The bulletin states that "in order to enshrine best practice it is suggested that authorities report formally on Treasury Management activities at least twice yearly and preferably quarterly". The report in Appendix A covers the first six months of 2018/19.

3. Recommendations

It is recommended that:

- 3.1 If the carrying (market) value of an investment property falls below the original value of unsupported borrowing incurred to acquire the investment property excluding fees and other associated costs, minimum revenue provision (MRP) will be charged over the residual life of the property on the shortfall between the current property value and the value of borrowing.
- 3.2 Minimum revenue provision (MRP) be provided on equity shares over 25 years on an annuity basis.
- 3.3 It be noted that there have been no breaches of the Treasury Management Policy 2018/19 in the period up to 30 September 2018.
- 3.4 The actual Treasury Management indicators for September 2018 in Appendix A be noted

4. Background

The Council's treasury management operations cover the following:

- Cash flow forecasting (both daily balances and longer term forecasting)
- Investing surplus funds in approved investments
- Borrowing to finance short term cash deficits and capital payments
- Management of debt (including rescheduling and ensuring an even maturity profile)
- Interest rate exposure management

The key risks associated with the Council's treasury management operations are:

1. Credit risk - ie. that the Council is not repaid, with due interest in full, on the day repayment is due
2. Liquidity risk - ie. that cash will not be available when it is needed, or that the ineffective management of liquidity creates additional, unbudgeted costs
3. Interest rate risk - that the Council fails to get good value for its cash dealings (both when borrowing and investing) and the risk that interest costs incurred are in excess of those for which the Council has budgeted
4. Maturity (or refinancing risk) - this relates to the Council's borrowing or capital financing activities, and is the risk that the Council is unable to repay or replace its maturing funding arrangements on appropriate terms
5. Procedures (or systems) risk - ie. that a treasury process, human or otherwise, will fail and planned actions are not carried out through fraud, error or corruption

The total borrowings of the Council are £623m and statutory guidance requires the Council to provide for its repayment. The Council has made a number of amendments to its MRP policy in recent years and has informed the external audit manager at the time of its intentions. The Council's external auditors have now engaged their specialist staff to undertake a review of the Council's MRP policy. As a result of previous MRP policies the Council has provided for the repayment of debt much earlier than when the actual repayments are required to be made and has as a result been reducing its MRP in order to recover this over provision over a prudent time scale. The auditors are reviewing the amount of the excess MRP made in previous years rather than the amount of MRP being made in the current year. Therefore the effect of the auditors' MRP review will be to shorten the period over which the Council makes a reduced MRP rather than to increase MRP immediately.

The Council has investments lodged with 56 institutions that amount to £414m.

The cost of the Council's borrowings and the income derived from the Council's investments are included within the Council's treasury management budget of £23m per annum. The Council's treasury management activities account for a significant proportion of the Council's overall budget. As a consequence the Council's Treasury Management Policy aims to manage risk whilst optimizing costs and returns. The Council monitors and measures its treasury management position against the indicators described in this report. Treasury management monitoring reports are brought to the Governance and Audit and Standards Committee for scrutiny.

There have been no breaches of the Treasury Management Policy up to the period ending 30 September 2018.

5. Reasons for Recommendations

Recommendation 3.1

The Council's existing policy is to provide for the repayment of debt used to finance investment properties by utilising the capital receipt generated from their sale. The market value of the Council's investment properties is expected to increase over time. However, the commercial property market is cyclical and there is a risk that the market value of an investment property could fall preventing the debt from being entirely provided for through the capital receipt realised from selling the property. In order to be prudent it is therefore recommended that if the carrying (market) value of an investment property falls below the unsupported borrowing amount, minimum revenue provision (MRP) will be charged over the residual life of the property on the shortfall of the balance. There has been no diminution in the value of the Council's investment properties that have been financed from unsupported borrowing.

Recommendation 3.2

The Council's existing policy is that no MRP is made on self - financed borrowing to fund equity shares purchased in pursuit of policy objectives unless the shares are sold in which case the capital receipt is set aside to repay the debt. The Council's equity shares are expected to hold their value unlike physical assets that depreciate.

None the less, the Council has no plans to sell its equity shares and therefore no provision is being made for the repayment of the borrowing that financed the equity investments. In order to ensure that provision is made to repay debt associated with the acquisition of equity shares, it is therefore recommended that minimum revenue provision (MRP) be provided on equity shares over 25 years on an annuity basis.

Recommendation 3.3

To highlight any variance from the approved Treasury Management Policy and to note any subsequent actions.

Recommendation 3.4

To provide assurance that the Council's treasury management activities are effectively managed.

6. Equality impact assessment (EIA)

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

7. Legal Implications

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

8. Director of Finance's comments

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

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Signed by Director of Financial & Information Technology (Section 151 Officer)

Appendices:

Appendix A: Treasury Management Mid-Year Review 2018/19

Appendix B: LIBID Rates

**Appendix C: Composition of Cash Investments with Investment Returns
at 30 September 2018**

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

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

<u>Title of document</u>		Location
1	Information pertaining to treasury management strategy and performance	Financial Services
2		

TREASURY MANAGEMENT MID YEAR REVIEW OF 2018/19**A1. SUMMARY OF TREASURY MANAGEMENT INDICATORS AS AT 30 SEPTEMBER**

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

	Limit	Position at 30/9/18
Authorised Limit	£660m	£623m
Operational Boundary	£645m	£623m

The maturity structure of the Council's fixed rate borrowing was:

	Under 1 Year	1 to 2 Years	3 to 5 Years	6 to 10 Years	11 to 20 Years	21 to 30 Years	31 to 40 Years	41 to 50 Years
Lower Limit	0%	0%	0%	0%	0%	0%	0%	0%
Upper Limit	10%	10%	10%	20%	30%	30%	30%	40%
Actual	1%	1%	4%	7%	24%	11%	25%	27%

The maturity structure of the Council's variable rate borrowing was:

	Under 1 Year	1 to 2 Years	3 to 5 Years	6 to 10 Years	11 to 20 Years	21 to 30 Years	31 to 40 Years	41 to 50 Years
Lower Limit	0%	0%	0%	0%	0%	0%	0%	0%
Upper Limit	10%	10%	10%	20%	30%	30%	30%	10%
Actual	2%	2%	7%	12%	24%	26%	27%	0%

Sums invested for periods longer than 365 days at 30 September 2018 were:

Maturing after	Limit £m	Actual £m
31/3/19	158	133
31/3/20	133	85
31/3/21	110	27

The Council's interest rate exposures at 30 September 2018 were:

	Limit £m	Actual £m
Fixed Interest - Borrowing and (Lending)	454	362
Variable Interest - Borrowing and (Lending)	(289)	(153)

A2. GOVERNANCE

The Treasury Management Policy Statement, Annual Minimum Revenue Provision for Debt Repayment Statement and Annual Investment Strategy approved by the City Council on 20 March 2018 provide the framework within which Treasury Management activities are undertaken.

In December 2017, the Chartered Institute of Public Finance and Accountancy, (CIPFA), issued revised Prudential and Treasury Management Codes. As from 2019/20, all local authorities will be required to prepare a Capital Strategy which is intended to provide the following: -

- a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
- an overview of how the associated risk is managed
- the implications for future financial sustainability

A report setting out the Council's Capital Strategy will be taken to the Cabinet and the City Council, before 31st March 2019.

A3. COMBINED BORROWING AND INVESTMENT POSITION (NET DEBT)

On 30 September 2018 the Council had gross debt including finance leases and private finance initiative (PFI) schemes of £623m and gross investments of £414m giving rise to a net debt of £209m. The current high level of investments has arisen from the Council's earmarked reserves and borrowing in advance of need to take advantage of low borrowing rates thus securing cheap funding for the Council's capital programme. The current high level of investments does increase the Council's exposure to credit risk, ie. the risk that an approved borrower defaults on the Council's investment. In the interim period when investments are high in advance of capital expenditure being incurred, there is also a short term risk that the rates (and therefore the cost) at which money has been borrowed will be greater than the rates at which those loans can be invested. The difference between current borrowing and investment rates is 0.55%. Securing cheap funding for the capital programme will provide longer term savings through reduced borrowing costs.

A4. BORROWING ACTIVITY

The Council employs Link Asset Services to provide interest rate forecasts. The flow of generally positive economic statistics after the end of the quarter ended 30 June meant that it came as no surprise that the Monetary Policy Committee (MPC) came to a decision on 2 August to make the first increase in Bank Rate above 0.5% since the financial crash, to 0.75%. However, the MPC emphasised again, that future Bank Rate increases would be gradual. It is not anticipated that the MPC will increase Bank Rate in February 2019, ahead of the deadline in March for Brexit. The MPC is more likely to wait until August 2019, than May 2019, before the next increase, to be followed by further increases of 0.25% in May and November 2020 to reach 1.5%. However, the cautious pace of even these limited increases is dependent on a reasonably orderly Brexit.

The forecast overall longer run trend is for gilts and Public Works Loans Board (PWLb) certainty rates to rise, albeit gently, with 25 year rates expected to rise from their current 2.8% to 3.5% by December 2020.

The Council did not undertake any new borrowing in the first six months of 2018/19.

The Council's gross debt at 30 September 2018 of £623m is within the Council's authorised limit (the maximum amount of borrowing permitted by the Council) of £660m and the Council's operational boundary (the maximum amount of borrowing that is expected) of £645m. The Council aims to have a reasonably even maturity profile so that the Council does not have to replace a large amount of borrowing in any particular year when interest rates might be high. The maturity profile of the Council's borrowing is within the limits contained in the Council's Treasury Management Policy (see paragraph A1).

A5. INVESTMENT ACTIVITY

In accordance with the Government's statutory guidance, the Council's investment strategy is based on securing the return of capital above other considerations.

Investment rates available in the market for investments that are longer than 3 months have followed a downward trend in the first two months of 2018/19 but have since risen in anticipation of an increase in the Bank of England base rate. Short term market interest rates for the first six months of 2018/19 are shown in Appendix B.

The Council's investment portfolio has decreased by 1% in 2018/19 from £418.7m on 1 April to £414.2m as at 30 September.

The overall investment portfolio yield for the first six months of the year was 1.07%.

The Council's budgeted investment return for 2018/19 is £2,293k, and performance for the year to date is £1,174k above budget. This is due to having more cash than anticipated to invest following slippage in the capital programme and having better than anticipated investment returns.

A summary of the Council's investment portfolio is contained in Appendix C. The investment returns shown are as at 30 September 2018 and are not the cumulative returns over the first six months of 2018/19. Investment returns shown are influenced by the date upon which investments were made and the length of the investment in addition to the nature of the investment.

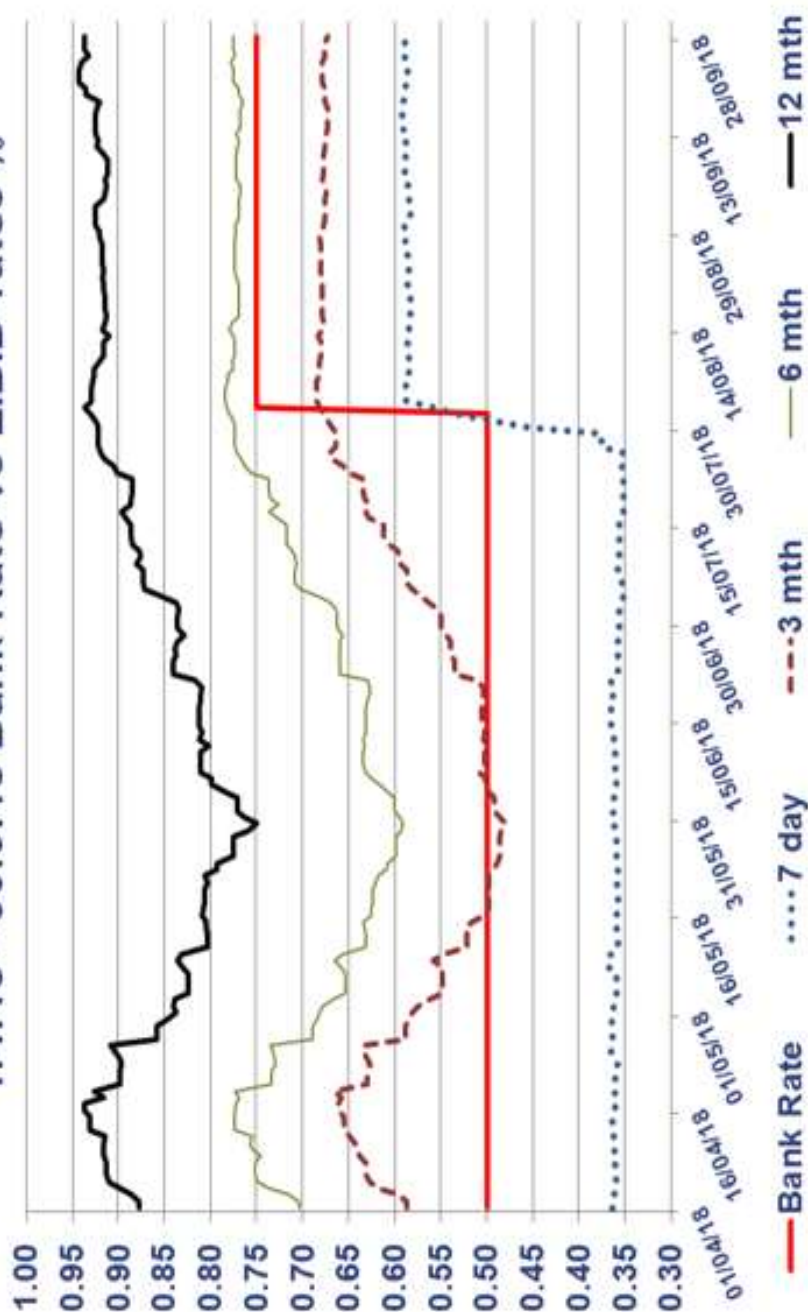
A6. INTEREST RATE EXPOSURES

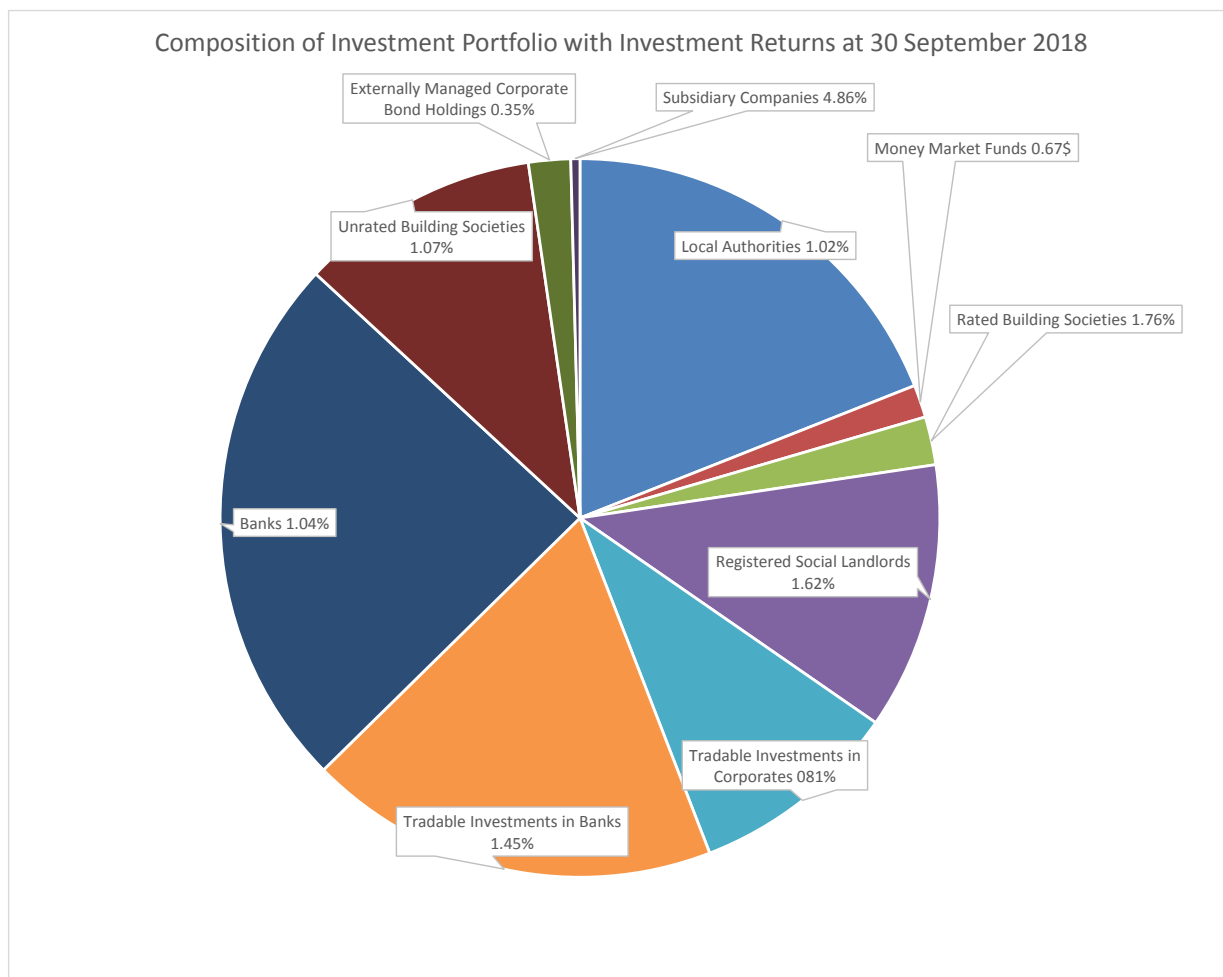
Fixed interest rates avoid the risk of budget variances caused by interest rate movements, but prevent the Council from benefiting from falling interest rates on its borrowing or rising interest rates on its investments. The Council's net fixed interest rate borrowing at 30 September 2018 was £362m which was within the limit set in the 2018/19 Treasury Management Policy of £454m. Variable interest rates expose the Council to the benefits and dis-benefits of interest rate movements and can give rise to budget variances. The Council's net variable interest rate investments at 30 September 2018 were £153m which was within the limit set in the 2018/19 Treasury Management Policy of £289m.

LIBID RATES

LIBID rates are London inter-bank bid rates and give an indication of the rates available in the London money market

1.4.18 - 30.9.18 Bank Rate vs LIBID rates %





Money market funds are instant access investments in AAA rated pooled funds.

Some investments in banks and corporates (commercial companies) are tradable. This means that the Council can sell the investments at any time to a third party. This contrasts with bank and building society term deposits which can only be repaid by the bank or building society.

The Council has some externally managed corporate bond holdings. These consist of tradable debt issued by commercial companies.

Title of meeting:	Cabinet
Date of meeting:	6 th November 2018
Subject:	Healthy Child Programme future commissioning arrangements
Report by:	Alison Jeffery, Director, Children, Families and Education
Wards affected:	All
Key decision:	No
Full Council decision:	No

1. Purpose of report

- 1.1 Contracts securing the provision of public health nursing (health visiting, school nursing and Family Nurse Partnership (FNP)) services from Solent NHS Trust are due to end on 30th June 2019. Arrangements need to be made to ensure continued provision of these services from 1st July 2019. This paper seeks a decision from Cabinet members for the future commissioning arrangements.

2. Recommendations

That the Cabinet:

- 2.1 Approves that the preferred option is selected to secure future provision of the Healthy Child Programme for Portsmouth families. The preferred option is, subject to the appropriate statutory consultation, to establish a partnership agreement between Portsmouth City Council and Solent NHS Trust under Section 75 of the National Health Service Act 2006 from 1st July 2019 for a term of three years, with possible further extension;
- 2.2 Delegates authority to the Director, Children, Families and Education, in consultation with
- the Cabinet Member for Health, Wellbeing and Social Care,
 - the Cabinet Member for Children and Families,
 - the Director of Public Health,
 - the Section 151 officer (or their representative) and;
 - the City Solicitor (or their representative)
- to enter into negotiations with Solent NHS Trust and to approve the terms of the Section 75 agreement; and
- 2.3 Authorises the City Solicitor to prepare and to execute the Section 75 Agreement to give effect to the terms approved as above.

3. Background

- 3.1 Through oversight of the *Stronger Futures* programme, which structures services with the aim of reducing demand on the highest tier of need (approved by Council Cabinet in November 2016), commissioning of public health nursing services has been delegated to the Director of Children's Services from the Director of Public Health through a Memorandum of Understanding. This has started a journey toward integration of the Healthy Child Programme with local authority service delivery of early help and safeguarding, and more recently, development of an enhanced health visiting offer 'ECHO' for the most vulnerable families.
- 3.2 The health visiting, school nursing and FNP services are currently commissioned from Solent NHS Trust and run until end June 2019. This includes the two year extensions to these contracts granted as a waiver through the procurement board. In addition, a contract with the Breastfeeding Network contributes to overall delivery of the Healthy Child Programme. Portsmouth City Council Childrens Families and Education Directorate makes a small contribution to the costs of the FNP service; the costs of the contracts is otherwise met through Public Health grant.
- 3.3 Options for the future commissioning arrangements have been carefully considered; a competitive procurement, delivery of the services from within Portsmouth City Council, or, establishment of a Section 75 agreement under the National Health Service Act 2006. The preferred option is for a Section 75 agreement to be established between Portsmouth City Council and NHS Solent Trust for the continued provision and improvement of these services.

4. Reasons for recommendations

4.1 *Options considered*

4.1.1 *Competitive procurement*

The Public Contract Regulations 2015 require contracting authorities to ensure that public procurement is open and competitive and that suppliers are treated equally and fairly. During the term of the current contract, Solent NHS Trust and Portsmouth City Council have started a journey toward integration of the Healthy Child Programme with local authority service delivery of early help and safeguarding which is beginning to demonstrate benefits. We believe that against this background a formalised strategic partnership with Solent NHS Trust offers better prospects for achieving good value service improvement than a competitive procurement exercise. It is also believed a collaborative approach with the provider will enable greater financial transparency than a commissioner-provider relationship would allow, leading to prioritising frontline delivery of services to children and families in Portsmouth. In addition, the resource required to undertake competitive re-procurement would detract from leadership of the integration journey which will offer improved outcomes for children and families in Portsmouth and therefore, this is not considered the optimum solution.

4.1.2 *In-house delivery*

This option was initially seen as in principle offering the maximum flexibility and potential for improvement. Serious consideration and work was done to look carefully at this option. Several significant concerns were highlighted during the process. Detailed review of progress over the last two years also highlighted the significant integration and service redesign which has been achieved under current arrangements. At the current time, therefore it is not the preferred option.

The most significant concern was that the uncertainty for staff and change of employer involved in this option could lead to recruitment and retention difficulties. The potential impact of these would be a loss of staff leading to an inadequately resourced or skilled workforce to deliver public health nursing services to children and families. Some local authorities have been able to somewhat mitigate this risk through articulating a positive vision for the service which is valued as part of the local authority and through negotiation of terms and conditions. In addition, there was concern that substantial resource across Portsmouth City Council Directorates would be required to deliver this option for which the opportunity cost is an important consideration. The combination of these two concerns together with assessment of the positive development of services through the existing partnership (confirmed through recent Ofsted inspection of children's services) means that this option is not felt to be in the best interest of children and families in Portsmouth at the current time.

4.1.3 *Section 75 agreement*

Powers provided to local authorities and NHS bodies under Section 75 of the NHS Act 2006 and associated Regulations set out that a local authority and an NHS body can each delegate certain functions to the other, provided that the resultant arrangements are likely to lead to an improvement in the way those functions are exercised. With concerns that were evident in considering in-house provision the Section 75 option became the most appropriate that would still give the flexibility and improvement sought for the service.

This arrangement would enable Portsmouth City Council and Solent NHS Trust to deliver an even more integrated and co-ordinated offer to children and families as well as achieve greater financial efficiency and improved quality of these services to children and families in Portsmouth. This will be through further integration of staff and functions and consolidation of necessary bureaucratic functions. The journey toward integration of 0-19 services provided by Portsmouth City Council and Solent NHS Trust is already underway. It is beginning to demonstrate benefits and this option would enhance these and allow a better experience for service users through better joint working between the services.

4.2 ***Further detail underpinning the preferred option***

4.2.1 The arrangements and details of the Section 75 agreement would determine the mechanism by which partners will work together to establish further integrated provision and will be finalised by negotiation. This would include how the organisations work together in sharing resources. This would be subject to

appropriate consultation with those who may be affected by these arrangements, as per the Regulations.

- 4.2.2 The agreement would set out shared aims in relation to outcomes for children and families as well as requirements in relation to financial control and spending levels. A break clause would be included enabling termination of the agreement with an agreed notice period by the local authority or by Solent NHS Trust should this become necessary.
- 4.2.3 Operational and financial governance arrangements of the service and the Section 75 agreement would be undertaken by the Healthy Child Programme Overview Group chaired by the Director of Children, Families and Education. Assurance would be provided to the Director of Public Health for delivery against the relevant mandated activities of the public health grant as well as public health outcomes, as under current arrangements. Through this arrangement, Public Health and Children's and Families will continue working closely to achieve outcomes of both Directorates.
- 4.2.4 The total financial allocation made for the provision of these services is currently £4,226,251 (as per table below). The financial allocation to a Section 75 agreement will require a reduction from the current overall value of these contracts for 2019/20 due to reductions in the public health grant. The value of this reduction is likely to be £200k for 2019/20. At the time of writing the government has not delineated its plans for the future public health funding arrangements for 2020/21 onwards and therefore a Section 75 agreement would be entered into on the understanding that further changes to the budget available for these services are possible and it is expected these will be approached collaboratively.

Contract	Value per Annum
Health Visiting	£3,701,980
School Nursing	£429,239
Family Nurse Partnership	£67,032
Breastfeeding Network	£28,000
Total	£4,226,251

5. Equality impact assessment

A preliminary equality impact assessment has been undertaken which concluded that the commissioning mechanism selected to secure continued provision for the Healthy Child Programme will not in itself change service delivery. Therefore, there will be no impact on any equality group from this decision. Should a Section 75 arrangement be established as a mechanism through which partners will work together to further integrate provision, the need for an equality impact assessment will be considered as specific components / details are defined.

6. Legal implications

- 6.1 Section 75 of the National Health Service Act 2006 ("the Act") allows local authorities and NHS bodies to enter into partnership arrangements to provide more streamlined services and to pool resources if such arrangements are likely to lead to an improvement in the way their functions are exercised.
- 6.2 Arrangements under Section 75 may include (i) arrangements for the exercise by NHS bodies of certain local authority health-related functions in conjunction with the exercise by such bodies of their NHS functions and/or (ii) arrangements for the exercise by local authorities of certain NHS functions in conjunction with the exercise by such authorities of their health-related functions.
- 6.2 The particular functions that can be included within Section 75 agreements are prescribed by the NHS Bodies and Local Authorities Partnership Arrangements Regulations 2000 and regulation 6 in these Regulations specifically includes the public health functions vested in local authorities by virtue of Sections 2B and 6C(1) and Schedule 1 to the Act.
- 6.3 The recommended partnership agreement between the parties would accordingly be within the remit of the legislation.

7. Director of Finance's comments

- 7.1 In 2018/19 the budget available for the provision of these services currently amounts to £4,226,251. For 2019/20 the budget is anticipated to reduce by £200,000, as a consequence of the continued reduction in the Public Health grant.
- 7.2 The proposed Section 75 agreement is intended to operate for a period of three years with an option to extend for a further year. The total value of the agreement across the three years would be £12,078,753 based on the anticipated available resources for 2019/20.
- 7.3 As highlighted above (see 4.2.4) the level of public health funding available from 2020/21 is currently unknown with information awaited from central Government. The Section 75 agreement will need to have the flexibility to be amended, should funding levels change.
- 7.4 The financial arrangements related to this agreement will be clarified during the development of the Section 75 agreement, in consultation with the s.151 officer (or their representative). Additionally, robust operational and financial governance and oversight arrangements will be implemented to ensure the delivery of the expected outcomes.

.....
Signed by:

Appendices:

Appendix 1: Equality Impact Assessment preliminary form

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:

Equality Impact Assessment

Preliminary assessment form 2018

www.portsmouthccg.nhs.uk

www.portsmouth.gov.uk

The preliminary impact assessment is a quick and easy screening process. It should:

- identify those policies, projects, services, functions or strategies which require a full EIA by looking at:
 - negative, positive or no impact on any of the equality groups
 - How are going to mitigate or remove any potential negative impacts
 - opportunity to promote equality for the equality groups
 - data / feedback
- prioritise if and when a full EIA should be completed
- justify reasons for why a full EIA is not going to be completed

Directorate:

Public health

Service, function:

Public Health

Title of policy, service, function, project or strategy (new or old) :

Commissioning arrangements to secure the continued provision for the Healthy Child Programme

Type of policy, service, function, project or strategy:

- ☐ Existing
- ☐ New / proposed
- ☒ Changed

Q1 - What is the aim of your policy, service, function, project or strategy?

Contracts securing the provision of health visiting, school nursing and Family Nurse Partnership services from Solent NHS Trust are due to end on 30th June 2019. Arrangements need to be made to ensure continued provision of these services from 1st July 2019. The options proposed are to undertake a competitive re-procurement, deliver the services from within Portsmouth City Council, or, establish a Section 75 agreement between Portsmouth City Council and Solent NHS Trust. The preferred option is to enter into a Section 75 agreement to secure the ongoing provision of these services in Portsmouth.

Q2 - Who is this policy, service, function, project or strategy going to benefit or have a detrimental effect on and how?

All families in Portsmouth with children <18 are offered the Healthy Child Programme. There are no plans to change service delivery through the process of securing future commissioning arrangements. Should establishing a Section 75 arrangement be selected as a mechanism through which partners will work together to further integrate provision, this will be to deliver a more co-ordinated and improved offer to families. The need for an equality impact assessment will be considered as specific components / details are defined.

Q3 - Thinking about each group below, does, or could the policy, service, function, project or strategy have a negative impact on members of the equality groups below?

Group	Negative	Positive / no impact	Unclear
Age	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Disability	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Race	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sex	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gender reassignment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sexual orientation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Religion or belief	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Pregnancy and maternity	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Marriage & civil partnership	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Other excluded groups	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Note:Other excluded groups examples includes,Homeless, rough sleeper and unpaid carers. Many forms of exclusion are linked to financial disadvantage. How will this change affect people on low incomes, in financial crisis or living in areas of greater deprivation?

If the answer is "negative" or "unclear" consider doing a full EIA

If there are any potential negative impacts on any of the protected characteristics, What have you put in place to mitigate or remove the negative impacts/barriers?

None identified.

Q4 - Does, or could the policy, service, function, project or strategy help to promote equality for members of the equality groups? e.g. A new service has been created for people with a disability to help them gain employment this would mean that this helps promote equality for the protected characteristic of disability only.

Group	Yes	No	Unclear
Age	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Disability	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Race	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Sex	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Gender reassignment	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Sexual orientation	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Religion or belief	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Pregnancy or maternity	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Marriage & civil partnership	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other excluded groups	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

If the answer is "no" or "unclear" consider doing a full EIA

Q5 - Do you have any feedback data from the equality groups that influences, affects or shapes this policy, service, function, project or strategy?
Please add in the text boxes below what feedback / meetings you have attended for each specific protected characteristic

Group	Positive or negative feedback
Age	No feedback sought at this stage
Disability	No feedback sought at this stage
Race	No feedback sought at this stage
Sex	No feedback sought at this stage
Gender reassignment	No feedback sought at this stage
Sexual orientation	No feedback sought at this stage
Religion or belief	No feedback sought at this stage
Pregnancy and maternity	No feedback sought at this stage
Marriage & civil partnership	No feedback sought at this stage
Other excluded groups	No feedback sought at this stage

Q6 - Using the assessments in questions 3, 4 and 5 should a full assessment be carried out on this policy, service, function or strategy?

☐ yes ☒ No

PCC staff-If you have to complete a full EIA please contact the Equalities and diversity team if you require help Tel: 023 9283 4789 or email: equalities@portsmouthcc.gov.uk

CCG staff-If you have to complete a full EIA please email: sehccg.equalityanddiveristy@nhs.net if you require help

Q7 - How have you come to this decision? Summarise your findings and conclusion below

The commissioning mechanism selected to secure continued provision for the Healthy Child Programme will not in itself change service delivery. Therefore, there will be no impact on any equality group from this decision. Should a Section 75 arrangement be established as a mechanism through which partners will work together to further integrate provision, the need for an equality impact assessment will be considered as specific components / details are defined.

Q8 - Who was involved in the EIA?

Claire Currie, Consultant in Public Health
Dr Jason Horsley, Director of Public Health
Alison Jeffery, Director of Children, Families and Education

This EIA has been approved by: Alison Jeffery, Director of Children, Families and Education

Contact number:

023 9284 1201

Date:

16/10/18

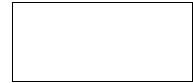
PCC staff-Please email a copy of your completed EIA to the Equality and diversity team. We will contact you with any comments or queries about your preliminary EIA.

Telephone: 023 9283 4789, Email: equalities@portsmouthcc.gov.uk

CCG staff-Please email a copy of your completed EIA to the Equality lead who will contact you with any comments or queries about your preliminary . Email: sehccg.equalityanddiversity@nhs.net

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Agenda Item 6



Decision maker: Cabinet

Subject: Income Generation Strategy - 2018/19 - 2023/24

Date of decision: Cabinet 6th November 2018
Council 13th November 2018

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

Wards affected: All

Key decision: Yes

Budget & policy framework decision: Yes

1. Executive Summary

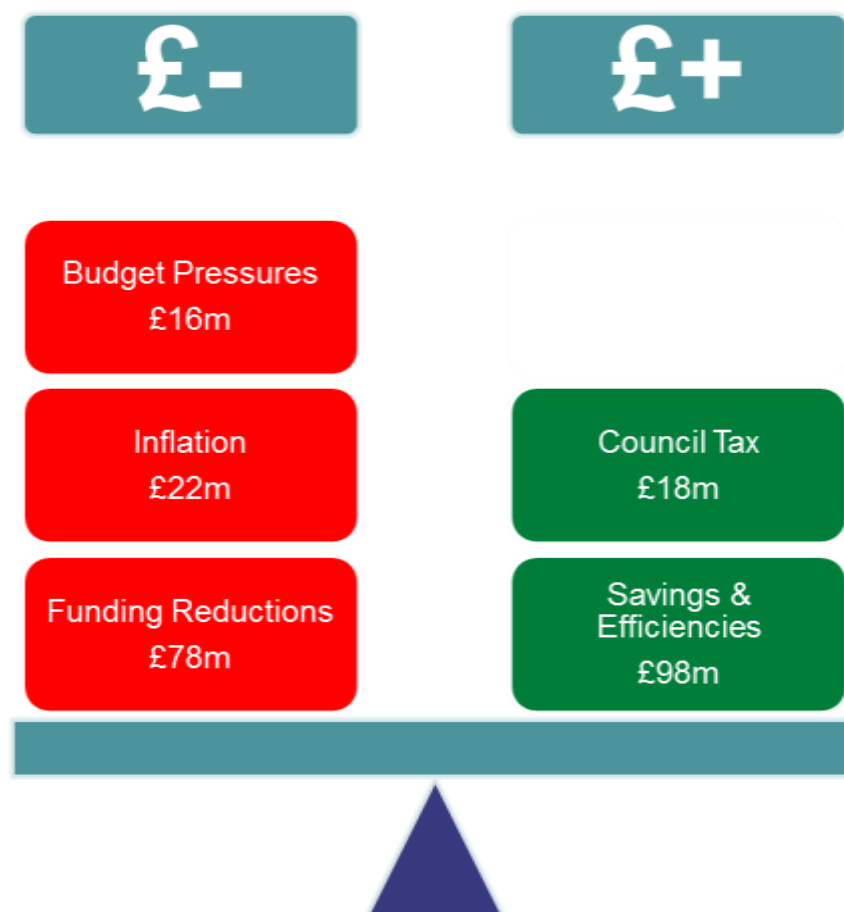
- 1.1 This report proposes an income generation strategy for the Council in order to secure funding for maintaining essential services for residents and also supports the growth of local businesses such that local people benefit from the financial and social impact of the Council's investment decisions. It is important that the Council adopts a creative approach to generating income, to support local communities despite the financial challenges faced.
- 1.2 In common with other Councils, the combined effect of reductions in Central Government Funding, relatively low levels of Council Tax and unavoidable cost increases (particularly associated with Adult and Children's Social Care) has presented the Council with the largest budget deficits that have ever been experienced in modern times. To overcome budget deficits of this scale and make corresponding savings creates a real and substantial risk to the sustainability of public services to residents and businesses.
- 1.3 Some mitigation has been provided by the Business Rate Retention Scheme (BRRS)¹, allowing the Council to retain 50% of all proceeds of business rate growth, however this is small at circa £3m over the last 8 years in comparison

¹ The Business Rate Retention Scheme (BRRS) is part of Government Funding reductions at £78m. Had the BRRS not been in place, Government Funding would have reduced by £81m (i.e. £81m - £3m + £78m)

with the reductions in funding of £78m and increased cost pressures at £38m over the same period.

- 1.4 As set out below, the Council has been required to make £98m in savings and efficiencies over the past 8 years in order to balance the Budget, ensuring that spending remains in line with income and funding levels.

BALANCING THE BUDGET - 2011/12 TO 2018/19



- 1.5 As illustrated, the overall combination of reducing Government funding, substantial cost pressures and low levels of Council Tax has resulted in the need to find total savings over the period of £98m, representing circa 46% of the Council's controllable spending.
- 1.6 The challenge of delivering £98m in savings has been further compounded by the relative protection of the essential care services of Adult Social Care and Children's Social Care (accounting for 53% of the Council's total spending). The effect of this protection has been to place the burden of savings disproportionately across all other Council Services.
- 1.7 Looking ahead, the Council's current Financial Forecasts estimate of savings required for the coming year period (2019/20 to 2021/21) will be £12m however

underlying budget deficits exist in both Children's Social Care (£4.5m) and Adult Social Care (£1.6m) amounting to £6.1m in aggregate, which if incapable of remedy will serve to increase the £12m savings by an equivalent amount.

- 1.8 Savings can be made through generating additional income / funding or reducing costs through efficiencies or service reductions.
To avoid being forced to make cuts in services, the Council will need to resolutely pursue an Income Generation Strategy as its priority mechanism for making the necessary savings required over the medium term. This will inevitably involve a degree of risk and that risk will need to be appropriately managed.
- 1.9 The Council has an entrepreneurial history and strong track record in generating income that has been ploughed back over the years into delivering public services for the City. The Council:
- Owns and operates the successful Portsmouth International Port (the largest municipal port in the country) and MMD Shipping Services Ltd.
 - Has significant land and property interests within the City from which it earns a solid income (e.g. Lynx House, Spinnaker Tower, Brunel wing of Civic Offices, MMD Shipping Ltd., Portchester Crematorium etc.)
 - Owns and operates the majority of Car Parks.
- 1.10 More recently the Council has:
- Successfully began to develop Dunsbury Park following planning permission secured in 2013 - a major business and technology park and winner of Business Park of the Year 2017 (South Coast Property Awards)
 - Created a £146m Commercial Property Portfolio that, to date, has generated a cumulative net return of £10.9m
 - Entered into lease and leaseback deals in order to improve the annual income return from the Wightlink Quay
 - Secured £50m in funding in November 2013 to develop out East and West Tipner, Horsea Island and Port Solent for additional Employment Space and Housing
 - Invested in the establishment of a Community Bank
 - Secured strategic partnerships with the Isle of Wight Council and Southampton City Council and Gosport Borough Council to jointly provide services
 - Scaled up the sale of support services such as HR, Payroll and Audit to external customers.

- 1.11 It is clear however that for the Council to continue to meet the £12m budget deficit forecast over the next three years as well as the potential additional savings that may be required in order to address the rising demand for Adult and Children's Social Care, the Council will need to go further with its income generation activities and it is imperative that a stand-alone Income Generation Strategy is developed and adopted by the Council to sit within the Council's Medium Term Financial Strategy.
- 1.12 There are a number of areas where the Council can extend, intensify and strengthen its income generation activities. These include:
- Housing Development - including social housing, key worker housing, shared Equity housing, housing for private rent and sale
 - Further commercial property acquisitions - both within and outside of Portsmouth
 - Direct investment into Portsmouth based commercial ventures where a strong business case exists to drive financial returns to the Council and economic returns to the City
 - Acquiring property for regeneration purposes, using compulsory purchase powers where necessary to unlock development - examples may include the Northern Quarter development, Brunel House and Tipner
 - Maximise commercial opportunities from any new Council led developments and projects
 - Securing additional funding from Government relating to both regeneration and also where the Council has a unique case for funding cost burdens.
- 1.13 The activities above have been combined with existing activities currently defined within the Council's Medium Term Financial Strategy to form the proposed Income Generation Strategy 2018/19 - 2023/24 provided at Appendix 1. The Income Generation Strategy will sit within the umbrella strategy of the Medium Term Financial Strategy and represents a further and more explicit articulation of one of the key themes currently contained within it.
- 1.14 The Income Generation Strategy is designed to both increase income to the Council as well as increase funding from Council Tax, Business Rates and Government Grants.

- 1.15 The proposed strategy is designed to deliver additional income over the short, medium and longer term and is built on the following themes:

Short to Medium Term:

- Government engagement
- Fair taxes, fees and charges
- Exploit existing capacity to sell services

Short, Medium and Longer Term:

- Entrepreneurial and commercial services
- Strategic use of property assets

Medium to Longer Term:

- Improving the City economy
- Meeting housing need
- Public service transformation

- 1.16 The Council has a comprehensive financial framework in place designed to avoid any financial obstacles to delivering its Income Generation Strategy. At the heart of the financial framework is a system of decentralised financial planning. Portfolio holders have substantial financial decision making autonomy and accordingly are charged with being accountable for proper financial planning and responsible spending. In practice it will require Portfolio Reserves, the MTRS Reserve, Prudential Borrowing and the Capital Programme to be used primarily to deliver savings.
- 1.17 The financial challenge facing the Council and the necessary future savings requirements are the biggest threat to the sustainability of Council services. The proposed Income Generation Strategy provides crucial mitigation against that threat. Delivering the Income Generation Strategy will require the continuation of strong financial discipline, clearly prioritising the protection of existing key services over potential new service initiatives.

2. Purpose of Report

- 2.1 The primary purpose of this report is to describe the Administration's strategy for income generation over the next 5 years within the overall context of the Council's Medium Term Financial Strategy. The proposed Income Generation Strategy is a significant contributor to the overall Medium Term Financial Strategy for the Council which seeks to achieve £12m of savings (or more if necessary) over the next 3 years.

2.2 In particular, this report sets out the following:

- (a) A brief summary of the Medium Term Financial Strategy for achieving the necessary savings
- (b) The Council's current and forecast funding position in relation to Government Grants, Council Tax and Business Rates and the risk attached to those forecasts
- (c) The current and future expectations for Council spending
- (d) The resulting gap between funding and spending over the medium term (i.e. the Budget Deficit)
- (e) The proposed Income Generation Strategy for 2018/19 - 2023/24 (as a primary vehicle to meet the Budget Deficit) and the necessary financial framework to support its delivery.

3. Recommendations

3.1 It is recommended that:

- (a) The proposed Income Generation Strategy 2018/19 - 2023/24 is approved
- (b) The underpinning financial framework required to support the delivery of the Income Generation Strategy and the wider Medium Term Financial Strategy is noted.

4. Background

Medium Term Financial Strategy (MTFS)

4.1 The Council's MTFS with its stated aim and key strands are described below. It already has an emphasis on entrepreneurial and regeneration activities and 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.

OVERALL AIM

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

STRAND 1 - Short / Medium Term

Transforming to an Entrepreneurial Council - through income generation

STRAND 2 - Medium / Long Term

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

STRAND 3 - Short / Medium Term

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

STRAND 4 - Short Term

Withdraw or Offer Minimal Provision for Low Impact Services

- 4.2 This report exemplifies and re-focuses the Council's "Strand 1" into a more strategic approach to income generation with broader reach.

Government Funding

- 4.3 Government funding has reduced by 54% since 2011/12 amounting to £78m and is forecast to decrease further over the next 3 years.
- 4.4 There is a good degree of certainty of the Government Funding for the next financial year, being a further reduction of £6m which was announced as part of the 4 Year Settlement that the Council has entered into but which ends in 2019/20. The overall forecast reduction for the 3 year period to 2021/22 amounts to £11.9m, however from 2020/21, a new formula funding methodology will be in place, this is currently under consultation and is known as the "Fair Funding Review". It seeks to fundamentally review either the methodology (or formula) for allocating funding as well as the underlying data used to populate the methodology. The forecast reduction in Government funding of £11.9m therefore is particularly uncertain.

Council Tax

- 4.5 The Council is a low taxing Authority and currently taxes at a level that is approximately £6m 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.

Business Rates

- 4.6 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 involves retaining 50% of all Business Rates generated in the area but which is subject to variables such as:
- Growth or reductions in the business rate base (i.e. number and size of business in the local area)
 - The value of successful appeals
 - The number of mandatory reliefs (e.g. charitable relief)
 - The overall collection rate (i.e. how much is uncollectable and written off)
- 4.7 The Council has benefited from the national Business Rate Retention Scheme from 2013/14 to 2017/18 by £3m per annum and now from being a 100% Business Rate Retention Pilot for 2018/19 of a further £3m although this latter £3m is only guaranteed for 2018/19.
- 4.8 As part of the comprehensive review of the Local Government funding system (i.e. the Fair Funding Review), there will also be a "Reset" of the Business Rates Baseline in 2020/21. This means that any growth in Business Rates currently being enjoyed by the Council (£3m per annum and a further £3m guaranteed for 2018/19 only) could be lost.

Funding Summary

- 4.9 The Council's funding position overall is low (i.e. Council Tax), falling (i.e. Government Funding) and uncertain (i.e. Government Funding and Business Rates). From 2020/21 onwards there is significant uncertainty within the whole Local Government Funding system. The Council's forecasts of funding for the next 3 years assume that the combined impact of the Fair Funding Review and the Business Rate reset will be broadly neutral but that there is a potential for the impact to be +/- £3m per annum.
- 4.10 The low, falling and uncertain levels of funding experienced by the Council present a compelling reason to drive through income generation as both a strategy to avoid cuts to Council services as well as to mitigate against the risk of uncertain funding levels in the future.

Outlook for the Costs of Providing Services

- 4.11 Over the past 8 years, costs have risen substantially. The combination of inflation plus unavoidable cost pressures, particularly in Adult and Children's Social Care, have added an overall cost burden of £38m over the period

4.12 The cost of providing services continues to rise and at a level beyond the rate of inflation. In general, the cost of providing Services are driven by the following:

- i) Pay and price inflation which will include the increasing cost of the National Living Wage, general price increases and increases in interest rates
- ii) Increases in demand for services, largely driven by social, economic and demographic pressures such as availability and affordability of housing, employment levels and the living longer population and the consequences for Adult Social Care

4.13 The Council is currently experiencing significant cost pressures in both Adult and Children's Social Care and, as previously mentioned, these Services account for 53% of total Council spending. Whilst actively managed, costs pressures in these areas are expected to continue and could lead to the Budget Deficit of £12m rising in the future.

Resulting Savings Requirements 2019/20 - 2021/22

4.14 Taking both cost pressures and funding reductions together and looking forward beyond 2018/19 (and subject to the review of the Local Government Funding system), the Council's future financial forecasts indicate a challenging position with a forecast Budget Deficit over the period 2019/20 to 2021/22 of £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.

4.15 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

4.16 Whilst income generation alone is unlikely to meet the necessary savings and meet those savings in the necessary time scales, it is nevertheless crucial for ensuring the short to medium term viability of Council services at acceptable levels to residents as well as providing greater certainty of the sustainability of Council services over the longer term.

5. Income Generation Strategy 2018/19 to 2023/24

Strategy Development

- 5.1 The Council, until now, has not had a stand-alone strategy for income generation; rather it has embedded its income generation strategies within the Medium Term Financial Strategy itself. The Income Generation Strategy proposed within this paper represents an expanded, intensified and strengthened proposition, going further than current plans and, in particular, providing greater emphasis on delivering affordable housing and direct investment into Portsmouth based commercial ventures.

Housing Delivery (Meeting Housing Need)

- 5.2 Housing, in particular has multiple benefits and reaches across a number of Council objectives as follows:
- i) Generate income for the Council - either to the Housing Revenue Account or the General Fund (via Ravelin - an arm's length development company)
 - ii) Raising prosperity for residents by making housing more affordable
 - iii) Providing accommodation for key workers - e.g. Social Workers and Teachers, therefore attracting talent to the City and reducing the reliance on more expensive agency workers
 - iv) Meeting the demand for housing and thereby reducing residents' reliance on other Council services.

Investing in the City Economy (Regeneration)

- 5.3 Regeneration can also deliver multiple objectives, replicating some of those above such as raising prosperity through employment and the "knock on" effect of increasing business rates as well as reducing residents demand for Council services. In addition, regeneration can:
- i) Bring redundant assets into productive economic use
 - ii) Increase economic growth and productivity
 - iii) Provide commercial opportunities for the Council
 - iv) Stimulate further demand for Inward Investment (and create further new jobs)

Some of the significant opportunities for intervention that currently exist include the Northern Quarter development, Brunel House and Tipner which may require acquiring property using compulsory purchase powers where necessary to unlock development.

Commercial Property Investment Fund (Entrepreneurial & Commercial Activities)

- 5.4 The Administration would wish to see a greater emphasis on securing investment opportunities within the City or its functional economic area and journey to work area. The Fund is currently contributing circa £4m per annum towards the Council's savings requirements which is expected to rise to circa £5m once fully built out and matured. The fund will seek further new investments that meet the criteria for safeguarding of public funds alongside solid financial returns both within Portsmouth and further afield.

Commercial Investment (Entrepreneurial & Commercial Activities)

- 5.5 The Administration is also keen to explore direct investment opportunities into Portsmouth based commercial ventures where a strong business case exists to drive financial returns to the Council as well as driving economic returns to the City. Similar to all other investment opportunities, the safeguarding of public funds is the Council's first priority. Where this can be demonstrated alongside good financial and economic returns, strong governance, talented senior management and robust risk management, investment will be made.

Government Engagement (funding)

- 5.6 Securing additional funding from Government relating to both regeneration and also where the Council has a unique case for funding cost burdens will also continue to be a particular priority within the Income Generation Strategy due to the multiple benefits it can derive (as previously set out).

Strategy Proposal

- 5.7 The approach to Income Generation extends to both additional income as well as additional funding (i.e. from Government Grants, Business Rates and Council Tax). It is also set within the context of other Council policies and strategies to form a cohesive approach to generating income which is fully aligned with the Council's priorities.
- 5.8 The proposals contained within this Income Generation Strategy are designed to deliver greater levels of income over the short, medium and longer term. It describes those plans which can be delivered more quickly to support the more immediate viability of Council services and those that have longer development and lead in times but, which taken together with the short to medium term plans, will ultimately maximise the prospects for the longer term sustainability of Council services.

5.9 The strategy is built upon the following themes and set out in detail in Appendix 1:

Short to Medium Term:

- Government engagement - *including changes to the Local Government Funding system and bidding for regeneration funding and other specific funds*
- Fair taxes, fees and charges - *including annual increases in taxation to at least cover the Council's inflationary costs as well as raising fees and charges based on affordability*
- Exploit existing capacity to sell services - *including the development, marketing and sale of services where the Council has a strong product and competitive advantage and the extension of strategic partnership arrangements*

Short, Medium and Longer Term:

- Entrepreneurial and commercial services - *including new Council commercial ventures delivering employment and economic growth, continuing the development of Dunsbury Farm, continuation of Property Investment (in Portsmouth and elsewhere) etc.*
- Strategic use of property assets - *including supporting the "One Public Estate" programme, developing PCC sites for employment and housing and maximising opportunities for appropriate advertising on prominent assets*

Medium to Longer Term:

- Improving the City economy - *including the pursuit of a City Deal with Government to attract long term investment funding, targeting the Council's Capital Programme into economic growth (e.g. strategic transport infrastructure, acquisition of regeneration sites and employment site viability), improving the City's digital infrastructure to attract inward investment and exploiting the opportunities of the City Deal (Tipner) to create Housing and Employment space*
- Meeting housing need - *including the use of PCC and externally held land to deliver increases in Social and Affordable Housing for sale and rent*
- Public service transformation - *including a review of the opportunities for Local Government re-organisation, deeper integration with The Health and Voluntary Sectors, in sourcing contracts that are no longer the most cost-effective option and the use of digital technology to transform service provision*

Strategy - Supporting Financial Framework

5.10 To support the Income Generation Strategy, the Council has a financial framework that is designed to remove any financial barriers to pursuing viable opportunities. These are described briefly below:

- Earmarked Reserves:
 - Portfolio Reserves - The council has a decentralised model of financial management which has been designed to promote medium term financial planning and responsible spending. It places both financial decision making and accountability with Portfolio holders. Accordingly, Portfolio holders can manage their funding flexibly across financial years in order to meet spending needs. Any underspendings are retained by the Portfolio and any overspending must be met by the Portfolio. Underspendings are accumulated in a Portfolio Reserve and should be used responsibly to support initiatives that can deliver future savings (i.e. Spend to Save initiatives) and be available to meet known and unknown future pressures; once those have been properly planned for any other service initiative can be pursued
 - MTRS Reserve - This is held to cover the cost of redundancies but also to fund Spend to Save initiatives that are of a scale which is unaffordable by an individual Portfolio
- Prudential Borrowing - Borrowing is available for Invest to Save Schemes of a capital nature but only if there is strong certainty that the resulting debt repayment costs can be more than met from the savings or additional income that is generated as a consequence of the investment. Where Capital Investment schemes are more speculative or there is more risk attached to the generation of sufficient income / savings to meet the resulting debt costs, then those schemes will need to be funded with existing Council funds either from the Revenue Budget or the Capital Programme
- Capital Programme - There is a presumption contained within the existing overarching Medium Term Financial Strategy that the Capital Investment will be targeted towards income generation and economic growth once the Council's statutory obligations have been met. This requires a strong financial discipline to avoid the temptation of funding new service initiatives over investments that will drive income generation or savings for the Council and therefore prioritising the sustainability of key essential services into the future.

6. Conclusion

- 6.1 The proposed Income Generation Strategy 2018/19 - 2023/24 sits under the umbrella of the Medium Term Financial Strategy (MTFS), it goes further than the current MTFS, strengthens it and exemplifies it in greater detail. The Income Generation Strategy places particular emphasis on increasing the supply of affordable housing and investing within Portsmouth as key drivers of both generating income as well as meeting demand and raising prosperity in the City overall.
- 6.2 The financial challenge facing the Council and the necessary future savings requirements are the biggest threat to the sustainability of Council services. The proposed Income Generation Strategy provides crucial mitigation against that threat. Delivering the Income Generation Strategy will require the continuation of strong financial discipline, clearly prioritising the protection of existing key services over potential new service initiatives.

7. Equality Impact Assessment (EIA)

- 7.1 The proposals contained within the Income Generation Strategy are general in their nature and set a broad direction of travel. Prior to implementation detailed proposals will need to be formulated and subject to a separate decision making process. Once individual proposals are developed, an Equality Impact Assessment will be considered at that time.

8. City Solicitor's Comments

- 8.1 It is within Cabinet's power to make this decision.

9. S.151 Officer's Comments

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

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Signed by: Section 151 Officer

Appendices:

- 1 Income Generation Strategy 2018/19 to 2023/24

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

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

Title of document	Location
Portsmouth City Council - Budget & Council Tax 2018/19 & Medium Term Budget Forecast 2019/20 to 2021/22	https://democracy.portsmouth.gov.uk/mgChooseDocPack.aspx?ID=3447
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 16 October 2018.

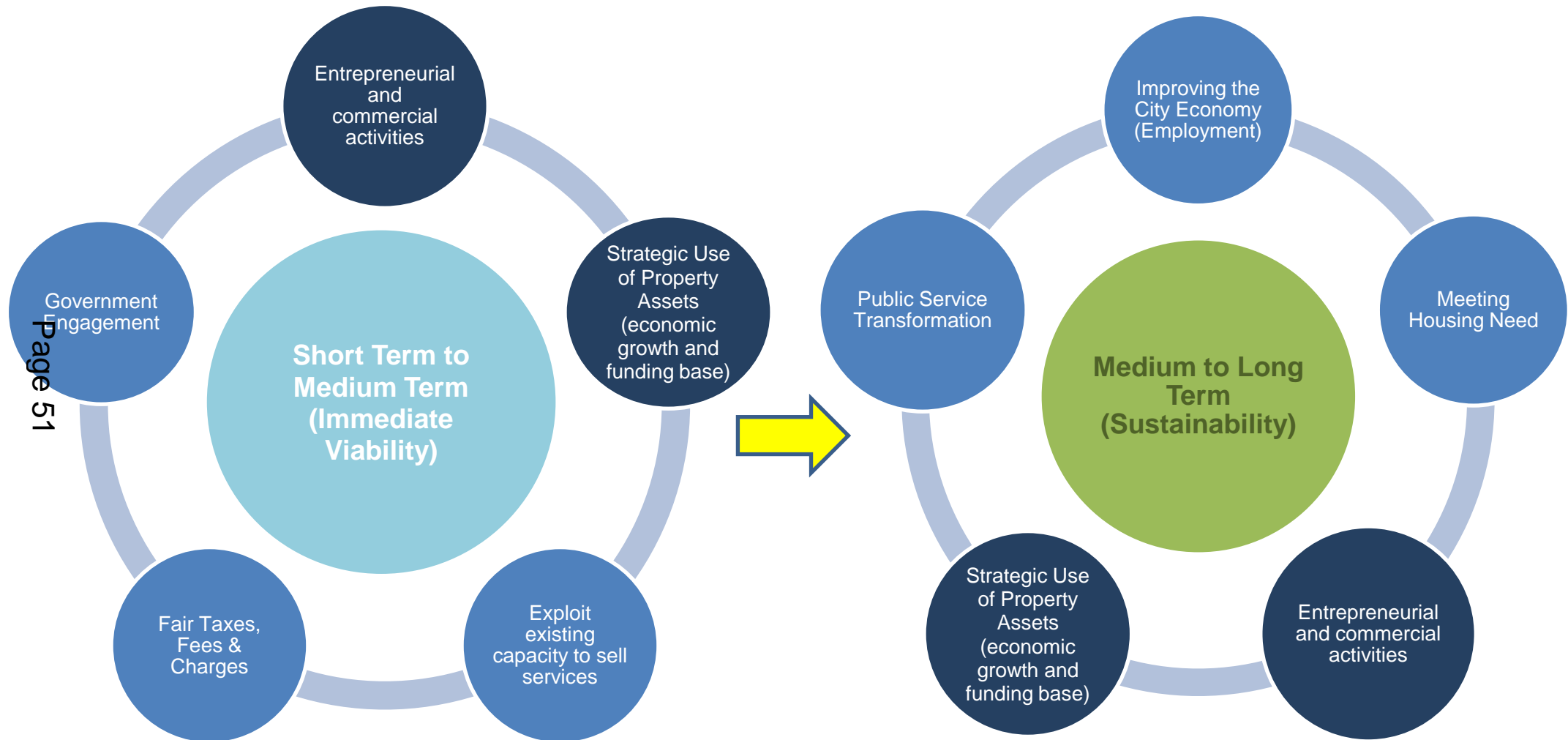
.....
Signed by: Leader of Portsmouth City Council

MEDIUM TERM FINANCIAL STRATEGY - AIM

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

INCOME GENERATION STRATEGY 2018/19 TO 2023/24



Detailed Income Generation Strategy 2018/19 & Beyond

Strategy - Short to Medium Term

		Income	Funding	Priorities
		Increase Income	Increase Bus. Rates / C.Tax / Govt. Funding	Manage Current & Future Demand
Government Engagement	Apply to continue in the Business Rate Retention Scheme Pilot for 2019/20 and beyond		✓	
	Lobby Central Government to remove anomalies within the Business Rates system which incentivise Business Rate Avoidance (e.g. no requirement to notify Local Authorities of occupation or changes to premises)		✓	
	Lobby Central Government for additional funding through the "Fairer Funding Review" and other existing funding streams		✓	
	Lobby Central Government specifically for full re-imbursement for the additional costs of Unaccompanied Asylum Seekers		✓	
	Targeted early investment into transformational regeneration schemes (on a phased basis) to move schemes towards "oven ready" status in order to maximise the opportunity for external funding		✓	
	Focus bidding applications (for Government Funding) alongside the Council's limited corporate capital resources ("match funding") towards transformational economic growth and productivity- prioritising Digital, Housing, Transport & Cultural investments	✓	✓	✓

Detailed Income Generation Strategy 2018/19 & Beyond

Strategy - Short to Medium - Term		Income	Funding	Priorities
		Increase Income	Increase Bus. Rates / C.Tax / Govt. Funding	Manage Current & Future Demand
Fair Taxes, Fees & Charges	Increase Council Tax within the limits of the “capping regime” in order to at least cover the Council's normal inflationary costs		✓	
	Undertake frequent reviews and inspections to ensure that Council Tax discounts and exemptions are being properly claimed (e.g. Single Person Discounts)		✓	
	Maximise the identification and collection of Business Rates due by: <ul style="list-style-type: none"> Improving knowledge and intelligence of changes in Businesses circumstances Ensure an equitable application of Business Rate reliefs in accordance with the national scheme 		✓	
	Continual review of fees and charges to: <ul style="list-style-type: none"> Maximise the opportunity to achieve full cost recovery Introduce fees and charges where the Council has the power to do so but subject to the Council's policy objectives (see below) Ensure alignment with policy objectives and affordability e.g. Essential services to residents of limited means are appropriately subsidised but valuable Services that users can afford are charged at full cost. 	✓		✓

Detailed Income Generation Strategy 2018/19 & Beyond

Strategy - Short to Medium Term

		Income	Funding	Priorities
		Increase Income	Increase Bus. Rates / C.Tax / Govt. Funding	Manage Current & Future Demand
Exploit Existing Capacity to Sell Services	Promote and market Support Services and other Professional Services where the Council has (or is able to develop) a strong product offering and competitive advantage	✓		
	Extend strategic partnerships with other Local Authorities as a means to generate income, share management overheads, create efficiencies, share other skills and capacity and improve resilience	✓		✓

Detailed Income Generation Strategy 2018/19 & Beyond

Strategy - Short, Medium & Longer Term

Entrepreneurial, Commercial and Collaborative Activities (with managed risk)

- Invest in Portsmouth based commercial ventures (via equity or debt) where there is a strong financial case for the Council and a solid strategic and economic case for the City (e.g. increased business growth and employment)
- Continue to build the £183m Commercial Property Acquisition Fund with a portfolio of assets of different size, across sectors and geographies with strong covenants and in strategic growth locations
- Continue to build out the Dunsbury Farm Business Park development on a commercial basis
- Explore opportunities for the expansion and diversification of Port related activities
- Engage with a Municipal Energy Company to provide competitive tariffs to residents, renewable energy and a financial return to the Council
- Investment into Hampshire Community Bank, supporting SME growth / employment and financial grants to good causes
- Promote the existing "in house" Energy Services offer to Public Bodies to include Solar PV installations and other Mechanical and Engineering services
- Consider crowd funding opportunities as a mechanism for pursuing otherwise unaffordable resident priorities

Income	Funding	Priorities
Increase Income	Increase Bus. Rates / C.Tax / Govt. Funding	Manage Current & Future Demand
✓	✓	
✓		
✓		
✓	✓	
✓		✓
✓	✓	✓
✓		
✓		✓

Detailed Income Generation Strategy 2018/19 & Beyond

Strategy - Short, Medium & Longer Term

		Income	Funding	Priorities
		Increase Income	Increase Bus. Rates / C.Tax / Govt. Funding	Manage Current & Future Demand
Strategic Use of Property Assets	Pursue the One Public Estate initiative to identify Public Sector sites suitable for Development	✓		✓
	Pursue the One Public Estate initiative aimed at co-locating appropriate health and care services and releasing land and property for alternative use	✓		✓
	Continual strategic review of the use of property assets (assessing economic value vs. current use) to identify sites for: <ul style="list-style-type: none"> • Employment • Housing • Other economic income generating uses • Disposal 	✓	✓	✓
	Leverage the Council's covenant strength to improve rental yields of the Council's property assets	✓		
	Identify and market property assets suitable to be used for digital advertising	✓		
	Utilise the Council's property assets for appropriate advertising which is consistent with the image of and vision for the City	✓		

Detailed Income Generation Strategy 2018/19 & Beyond

Strategy - Short, Medium & Longer Term

		Income	Funding	Priorities
		Increase Income	Increase Bus. Rates / C.Tax / Govt. Funding	Manage Current & Future Demand
Investing / Improving the City Economy	Work with partners to pursue alternatives to the Solent Combined Authority bid submitted with Isle of Wight Council and Southampton City Council to reduce overheads and secure infrastructure funding	✓		✓
	Capital Investment prioritised towards economic growth (e.g. strategic transport infrastructure, acquisition of regeneration sites and employment site viability)		✓	✓
	Maximise the opportunity of the Local Full Fibre Network (Super-fast digital infrastructure) to improve overall productivity for existing City Businesses, attract new inward investment and provide an income stream to the Council	✓	✓	✓
	"Design In" commercial opportunities to all significant infrastructure investments - e.g. Sea Defences, Strategic Road infrastructure, Housing Development	✓	✓	✓
	Maximise the Employment and Housing opportunities on the City Deal sites, with a preference for the Council to be a landlord where the financial reward and risk profile are acceptable to the Council	✓	✓	✓

Detailed Income Generation Strategy 2018/19 & Beyond

Strategy - Medium to Long -Term

		Income	Funding	Priorities
		Increase Income	Increase Bus. Rates / C.Tax / Govt. Funding	Manage Current & Future Demand
Meeting Housing Need	Lobby / apply for additional freedoms for the HRA in order to finance a new Social Housing building programme	✓		✓
	Develop or facilitate Affordable Housing / Key Worker Housing for rent and sale either directly or in partnership including the use of suitable PCC owned sites where it is the best economic use of the site	✓		✓
	Develop or facilitate Affordable Housing / Key Worker Housing for shared ownership either directly or in partnership including the use of suitable PCC owned sites where it is the best economic use of the site	✓	✓	✓
	Develop supporting living accommodation to improve the independence of residents requiring care and generating rental income	✓		✓

Detailed Income Generation Strategy 2018/19 & Beyond

Strategy - Medium to Long - Term

		Income	Funding	Priorities
		Increase Income	Increase Bus. Rates / C.Tax / Govt. Funding	Manage Current & Future Demand
Public Service Transformation	Consider options for further joint arrangements, shared working and Local Government Re-organisation as a mechanism to develop the wider economy (relieving the constraints of historic administrative boundaries), reduce the cost of duplication in service provision, use duplicated assets to generate income and improve overall resilience		✓	✓
	Review significant external contracts to establish the case for "in sourcing" as a means to sell services, make savings and improve corporate capacity and resilience	✓		
	Pursue Public Service integration (e.g. Health & Social Care) to primarily support improved outcomes but also to provide economies through the sharing of assets, management overheads and support service functions	✓		✓
	Deeper integration with the Voluntary and Community Sector in the development of people centred care (e.g. in the provision of care services) also to provide economies through the sharing of assets, management overheads and support service functions	✓		✓
	Use technology and digital solutions to provide greater personal independence for providing care and charge where appropriate	✓		✓

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