



NOTICE OF MEETING

CABINET

TUESDAY, 5 FEBRUARY 2019 AT 12.00 PM

EXECUTIVE MEETING ROOM - THE GUILDHALL (FLOOR 3)

Telephone enquiries to Joanne Wildsmith, Democratic Services Tel 9283 4057
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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 Jeanette Smith
Councillor Ben Dowling	Councillor Lynne Stagg
Councillor Suzy Horton	Councillor Matthew Winnington
Councillor Darren Sanders	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 Meetings - 27 November and 4 December 2018 (Pages 9 - 20)**

A copy of the record of the previous decisions taken at Cabinet on 27 November (Special) and 4 December 2018 are attached.

RECOMMENDED that the record of decisions of the Cabinet meetings held on 27 November and 4 December 2018 be approved as correct records to be signed by the Leader.

4 ECYP Scrutiny Panel's review into school attendance and part time timetables in Portsmouth (Pages 21 - 78)

The report by the Director of Children, Families and Education, in responding to the report by the Education, Children & Young People Scrutiny (ECYP) Panel **RECOMMENDS that the Cabinet:**

- (1) Thanks the Scrutiny Committee for its work in undertaking the review**
- (2) Notes and supports the recommendations set out on pages 6 and 7 of the report, taking into account the policy and financial implications of the recommendations summarised on page 35 of the report (section 12).**

5 Health and Care Portsmouth Operating Model (Pages 79 - 94)

Portsmouth City Council (PCC) and NHS Portsmouth Clinical Commissioning Group (PCCG) have a long history of successful integrated working across health and care for the City. This is demonstrated through its single vision and blueprint of 'Health and Care Portsmouth' (HCP) and is underpinned by shared teams and posts as well as pooled funds utilising legislative measures such as section 75 and section 113 agreements.

The report by the Chief Executive of PCC reviews the operating model in place between the two organisations in the context of the broader Hampshire and Isle of Wight Health & Care system reform programme and the desire to have a strong care system for the City and makes recommendations for the next steps for consideration by our Health and Well Being Board and the Governing Board of PCCG.

RECOMMENDED that the Cabinet:

- (1) Support the establishment of a single operating model for Health & Care Portsmouth between PCC and CCG;**
- (2) Support the establishment of a sub-board on behalf of PCC and PCCG for its commissioning of adult and children's health, social care and public health services, with detail of this proposal to be addressed in a separate report to Governance, Audit and Standards Committee in March;**
- (3) Support the integration of PCCG and PCC functions into joint roles: Chief of Health & Care Portsmouth, Director of Children's Services and Director of Public Health; and a review of other enabling functions to assess the benefits of further integration to support delivery of the Health & Care Portsmouth operating model – specifically financial management, business intelligence, communications/engagement, community sector partnership development;**
- (4) Direct the respective Accountable/Chief Executive Officers, working within their scheme of delegations and constitutional powers, review the management and staffing structures currently in place in order to align this capacity with the new Health & Care Portsmouth operating model and for this to include cost-share arrangement.**

6 Local Plan Update (Pages 95 - 172)

The purpose of the report by the Assistant Director of City Development is to update Members on progress in preparing the Local Plan and specifically on work to promote a development option for Tipner. Approval is sought to (i) a publish consultation document with regards to the wider Local Plan work, supported by a range of technical documents (ii) to publish consultation document on the Tipner work, and (iii) to make a provisional revision to the Local Plan timetable set out in the Local Development Scheme.

RECOMMENDED that the Cabinet:

(1) Approve the Portsmouth Local Plan consultation document, and supporting evidence base documents for 6 weeks of public consultation.

(2) Approve the Tipner Strategic Development Area consultation document for 6 weeks of public consultation.

(3) Delegate authority to the Assistant Director City Development to modify and make editorial changes to the all consultation documents and supporting documents in consultation with the Cabinet Member for PRED (if required)

(4) Adopt the revised Local Development Scheme.

7 PCC Budget and Council Tax 2019/20 and Medium Term Budget Forecast
(Pages 173 - 240)

The purpose of the report by the Director of Finance and Section 151 Officer (which is also being considered by full Council on 12 February) is to set the Council's overall Budget for the forthcoming year 2019/20 and the associated level of Council Tax necessary to fund that Budget.

The report makes recommendations on the level of Council spending for 2019/20 and the level of Council Tax in the context of the Council's Medium Term Financial Strategy with its stated aim as follows

Overall aim: "in year" expenditure matches "in year" income over the medium term whilst continuing the drive towards regeneration of the City, being innovative, creative and protecting the most important and valued

The recommended Budget for 2019/20 has been prepared on the basis of the decisions taken by the City Council on the 11 December 2018 relating to:

- An increase in the level of Council Tax for 2019/20 for general purposes of 2.99%
- A continuation of the opportunity to increase the level of Council Tax for an "Adult Social Care Precept" within the limits set by Central Government (i.e. a 1.5% increase for 2019/20), and the direct passporting of that additional funding to Adult Social Care to provide for otherwise unfunded cost pressures.
- The approved budget savings amounting to £4m

The report also provides a comprehensive revision of the Council's rolling 3 year future financial forecast for the new period 2020/21 to 2022/23 (i.e. compared to the previous forecast covering 2019/20 to 2021/22, this forecast

now replaces the forecast for the previous 3 year period). The forecast considers the future outlook for both spending and funding, and in that context, wider recommendations are made regarding the levels of reserves to be maintained and additional contributions to the Capital Programme in order to meet the Council's aspirations for the City as well as maintaining the Council's overall financial resilience.

8 Capital Programme 2018/19 onwards (Pages 241 - 314)

The purpose of the report by the Director of Financial Services and Section 151 Officer (which is also being considered by full Council on 12 February) is to:

- Summarise the key features of the Capital Strategy approved by the City Council on 4th February 2009 and the revised Capital Investment Priorities of the City Council, approved by City Council on 24th January 2012.
- Highlight the inter-relationship between the capital programme, the revenue budget and the Medium Term Financial Strategy
- Determine the corporate capital resources available including:
 - Adjustments for under and overspendings to the existing approved Capital Programme
 - Update the capital resources available for all new and changed grants, capital receipts, revenue contributions and other contributions
 - The identification of any additional assets which the Administration wishes to declare surplus to requirements
- Seek approval of the overall Capital Programme and "new starts" (including the Housing Investment Capital Programme) for 2019/20 and future years in accordance with the Capital Strategy
- Describe and approve the Prudential Indicators arising from the revised Capital Programme 2018/19 to 2023/24
- Delegate authority to the Section 151 Officer to alter the mix of capital funding to make best use of City Council resources

9 Exercise of Standing Order 58 (information item)

The Cabinet is asked to note the following:

An urgent Cabinet decision was taken on 24 January 2019, with regard to a claim made against the Council. This decision was taken through the Chief Executive agreeing to exercise his powers in accordance and compliance with Standing Order 58 of the Council's procedure rules.

The matter concerned a requirement to settle a claim which is valid in law and for which the Council is liable in negligence for some damage to the claiming company

The settlement took into account the likely litigation costs of and associated with the claim put forward to avoid the risk of unnecessary and protracted litigation.

The settlement figure was beyond the delegated authority to the City Solicitor/Deputy City Solicitor to settle a claim - currently £50,000 which necessitated the exercise of Standing Order 58.

10 Date of additional Cabinet meeting (information item)

To note the date of an additional Cabinet meeting to take place at 9am on Tuesday 26th February 2019.

11 Procurement of a contractor of City Centre Regeneration (City Centre Road) (Pages 315 - 322)

The report by the Director of Regeneration seeks approval to progress and conclude the appointment of a contractor to deliver the new road and highways infrastructure required to deliver the wider redevelopment of the City Centre.

12 Exclusion of Press and Public

RECOMMENDED that the Cabinet adopt the following motion:

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

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

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

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

(NB The exempt/confidential committee papers on the agenda will contain information which is commercially, legally or personally sensitive and should not be divulged to third parties. Members are

reminded of standing order restrictions on the disclosure of exempt information and are invited to return their exempt documentation to the Local Democracy Officer at the conclusion of the meeting for shredding.)

Item	Paragraph
13 - City Centre Regeneration (appendices A-C only)	3 & 5*

*Exemption Paragraph Numbers

3 - Information relating to the financial or business affairs of any particular person (including the authority holding that information)

5 - Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.

13 City Centre Regeneration (proposed Heads of Terms) (Pages 323 - 336)

The report by the Director of Regeneration is asking Cabinet to support the regeneration of Portsmouth's City Centre. This proposal is the first step on a journey to revitalise the City Centre and focuses on the long under used Tricorn site (currently under a long lease to the Delancey Group) together with other adjoining Council and Delancey Group owned land assets. (An indicative red line plan can be found in confidential appendix A.)

The report proposes that the Council and DV4 Limited (a Delancey Group owned vehicle) enter into a limited liability partnership ("LLP") on an equal 50/50 basis. The LLP will assemble land, design and co-develop the sites in line with the Council's aspirations for the regeneration of this area and to revitalise Commercial Road.

(Appendices A-C are exempt)

RECOMMENDED that Cabinet:

(1) Agree the Heads of Terms for the joint venture LLP with the DDV4 as proposed.

(2) Delegate authority to the Director of Finance and Information Services, the Head of Legal and the Director of Regeneration to negotiate and enter into the joint venture LLP in line with the agreed Heads of Terms.

(3) Delegate to the Director of Regeneration the management of spend on project related works against the capital budgets for the City Centre Regeneration. Spend will include negotiations and agreement of contracts, co-development of a feasibility study to ensure that the joint venture is fundable and delivers economic and commercial benefits for the Council and co-developing a meanwhile use for the site.

(3) Delegate authority to the Leader and S151 Officer for the use of unsupported borrowing to fund the joint venture, subject to agreeing that the proposals are feasible and viable.

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>

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Agenda Item 3

CABINET

RECORD OF DECISIONS of the meeting of the Cabinet held on Tuesday, 27 November 2018 at 9.00 am at the Guildhall, Portsmouth

Present

Councillor Gerald Vernon-Jackson CBE (in the Chair)

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

54. Apologies for Absence (AI 1)

Councillor Dowling had submitted his apologies for absence.

55. Declarations of Interests (AI 2)

There were no declarations of members' interests.

56. Forward Plan Omission (AI 3)

The Cabinet noted:

- (1) The omission to the Forward plan covering November 2018 and
- (2) The publication of the omission notice.

57. Victory Energy Supply Limited (VESL) - Expert Review of Business Case (reconsideration) (AI 4)

Councillor Gerald Vernon-Jackson, as Leader, set out the background to this meeting, having appeared at the Scrutiny Management Panel on 21 September 2018, at which he had agreed to look at the matter again.

Deputations are not minuted in full as the meeting is livestreamed (webcast) so can be viewed here:

<https://livestream.com/accounts/14063785/Full-Cabinet-23Nov2018>

Deputations were heard from the following:

- i) Mr J Brown - setting out his concerns regarding the financial modelling and business case for VESL
- ii) Councillor Hugh Mason - giving his views on the new business case and asking for the Cabinet to have further details on the basis of the estimated financial outcomes

- iii) Councillor Ian Lyon - advocating proceeding with investment in VESL
- iv) Councillor Donna Jones - welcomed the opportunity to reconsider the Cabinet's decision and speaking of her experience as a director on the board of the energy company and asking that Option 1 be supported
- v) Councillor Judith Smyth also supported Option 1 to continue with VESL to be innovative in supporting public services

Councillor Vernon-Jackson sought confirmation from the officers that new information had been provided, as requested by the call-in. Chris Ward, Section 151 Officer, confirmed that the social impact assessment had been requested and incorporated and new information as requested by the Administration.

The Leader also asked the City Solicitor to explain the position of the decision being taken at this meeting; Michael Lawther explained the principles of the Cabinet system under the Local Government Act 2000, and that if, after reflection, a decision was not substantially different to the previous decision, it would not be subject to call-in.

Chris Ward as Director of Finance and Section 151 Officer presented his report, which outlined the results of the 2 independent reviews setting out the business case, detailed assumptions and risks that would need to be managed. The updated information now included the known price cap and inclusion of the Warm Homes Discount and social impact assessment. There was also new information on the tariff (which would be lower than that offered by the "big 6") and an updated cost of disposal.

Section 1.8 of the Director of Finance's report summarised the shift in findings since the previous Cabinet consideration in August 2018. David Williams, as Chief Executive, advised the Cabinet to be cognisant of the Council approval of the Income Generation Strategy since the previous consideration of the VESL report.

Councillor Vernon-Jackson thanked Councillor Jones for the opportunity to reconsider the implications and those who had worked on updating the information available for Cabinet which was helpful. However, due to the level of risk with taxpayers' money, he would favour Option 2 to cease investment in VESL.

Councillor Pitt did not believe that the outlay made so far was justification for prolonging investment, due to the potential risks involved at a time of continued, uncontrollable pressures on Social Care budgets. If the company folded the debt would need to be repaid. Councillor Sanders had spoken to colleagues in energy companies and was also mindful of the level of risk for the authority.

The Leader summed up, having favoured Option 2, in conjunction with the Cabinet's decision to reconfirm their previous decision taken on 10 August 2018 (Option 4), as the Cabinet Members had come to the same decision, but

with regard for the additional information that the call-in procedure had resulted in.

DECISIONS:

The Cabinet considered the options set out in the new report and in reconfirming their previous decision, taking account of the potential risks and rewards, determined that:

- (1) Option 4 should proceed, i.e. to seek to enter into a "White Label" agreement with an existing fully licensed energy supplier and cease investment into Victory Energy Supply Limited**
- (2) external support be sought to enable the Council to cease its investment in Victory Energy Supply Limited (VESL) and seek to dispose of the Council's interest at the best possible value for the Council and to delegate to S151 and City Solicitor to conclude all of the necessary agreements to facilitate a sale**
- (3) any solar PV contracts entered into by VESL continue to be honoured by the Council;**
- (4) the Council develops a comprehensive campaign for tackling fuel poverty and looks to resume the promotion of PCC's energy saving website;**
- (5) an Outline Business Case be brought forward by the Council's in-house Energy Savings Team to re-evaluate commercial opportunities (previously approved by Cabinet 8 December 2016).**

(The advice of the City Solicitor and Monitoring Officer is that this decision is not subject to call-in)

The meeting concluded at 10.03 am.

Councillor Gerald Vernon-Jackson CBE
Leader of the Council

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CABINET

RECORD OF DECISIONS of the meeting of the Cabinet held on Tuesday, 4 December 2018 at 10.00 am at the Guildhall, Portsmouth

Present

Councillor Gerald Vernon-Jackson CBE (in the Chair)

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

58. Apologies for Absence (AI 1)

Apologies for absence had been submitted by Councillor Jeanette Smith.

59. Declarations of Interests (AI 2)

Councillor Darren Sanders made a disclosable pecuniary interest (having received advice from the Deputy City Solicitor) regarding agenda item 6 (Licensing of Houses in Multiple Occupation) as he lives in a HMO which is in an additional licensing area. He would therefore withdraw from the room whilst this item was discussed.

60. Record of Previous Decision Meeting - 6 November 2018 (AI 3)

The record of the previous decisions taken by Cabinet of 6 November 2018 was agreed as a correct record to be signed by the Leader.

61. Portsmouth Safeguarding Children's Board Annual Report (AI 4)

Dr Richard John, independent Chair of the Portsmouth PSCB, presented their annual report. This reflected the professionalism of Children's Services which he had encountered, with staff working hard to keep children safe. The report set out the priorities and he explained the dip in safeguarding training with a move towards restorative practice training. Dr John reported on the good practices in partnership working on referrals and on the learning from the 7 case reviews as reported back to their board. There was a development of pan-Hampshire work but with Portsmouth keeping its own sovereignty.

Councillor Gerald Vernon-Jackson, as Leader, welcomed this report which had also been received by the Health & Wellbeing Board. He thanked Dr John and felt it important for all councillors to be aware of the contents and the support being given to vulnerable children in the city. The Leader

therefore would ask that this be taken to Council (this could only be as in information item).

Councillor Rob Wood, as Cabinet Member for Children and Families, welcomed the excellent report being shared wider with all members so that they were aware of measures being taken in the city and the potential issues that the public should be aware of.

Councillor Stagg was also aware of the high standard of work being carried out by the staff involved and Councillor Winnington had attended and valued the restorative practice training.

In response to the question on sufficient staff in social care Dr John referred to the recent Ofsted inspection result which had rated the service as good.

DECISIONS:

- (1) The Cabinet received the Portsmouth Safeguarding Children's Board Annual Report and noted areas of progress and challenges in the work delivered by services to safeguard children and promote their well-being.**
- (2) The Cabinet asked that this report be submitted for the information of full Council.**

62. Response report to the Housing and Social Care Scrutiny review - models of supported accommodation for people with learning disabilities (AI 5)

Councillor Luke Stubbs presented the Housing & Social Care Scrutiny Panel's report as its current chair (Councillor Sanders had previously chaired during the gathering of evidence) and commended the positive and useful findings to Cabinet. The report evidenced the good work taking place in providing supported housing in the city and there was further work to do to maximise opportunities for mental health provision in conjunction with the CCG. Councillor Stubbs was also satisfied with the response report and recommendations by the Director of Housing, Neighbourhoods and Building Services.

Councillor Sanders, as previous Chair of HSC Scrutiny Panel, gave some back ground to the review with 53 adults placed outside the city at a cost of approximately £4m for the authority. The report covered the good work taking place by the Adult Social Care team to provide better care at less cost. He referred to the success of independent living accommodation on the Eastern Road and he supported the conclusions and the Director of Housing's recommendations.

Cabinet members supported both reports and the way forward with cross party work to continue in looking at providing allocations for independent living in major developments.

Councillor Winnington, as Cabinet Member for Health, Wellbeing and Social Care, thanked Councillor Stubbs and Councillor Winnington, the panel and all involved for this report, valuing the provision of supported living accommodation, mentioning the potential of the St. James' development site.

DECISIONS:

(1) That the Housing and Social Care Scrutiny panel was thanked for its work in undertaking the review.

(2) That the Housing and Social Care Scrutiny panel's recommendations were noted.

(3) Cabinet noted the potential to provide alternative models of accommodation beyond the initial learning and disability group and the Director of Housing, Neighbourhood and Building Services is asked to work with the Director of Adult Social Care and other directors as appropriate with the respective Cabinet members to continue to develop the supported living model.

63. Licensing of Houses of Multiple Occupancy (AI 6)

(Councillor Sanders was not present for discussion of this item, in accordance with his earlier declaration of interest.)

The report was presented by James Hill, Director of Housing, Neighbourhoods and Building Services, Paul Fielding, Assistant Director for Housing and Clare Hardwick, Acting Head of Private Sector Housing. Paul Fielding explained the new requirements and Clare Hardwick reported on work taking place with landlords before going to enforcement or prosecution. The recommendations included refreshing the Local Consultation Panel with new terms of reference and membership.

Councillor Gerald Vernon-Jackson, as Leader, welcomed the measures being taken in carrying out the council's duties to protect vulnerable tenants (including students) from bad landlords, and thanked officers for their work.

Cabinet members spoke of their experiences of HMOs in their wards and gave suggestions on the membership of the panel to ensure the voice of tenants was heard, and they were also aware of the responsible landlords who they worked with. Whilst the HMOs were predominantly in the South of the city members were aware of properties which needed licensing in the North of the city, where sub-divisions had taken place without notification to the city council.

DECISIONS:

(1) The Cabinet noted the report on Review of Licensing of Houses in Multiple Occupation (Appendix 1) as summarised in the report.

(2) That Cabinet agreed to the refreshing of the Local Consultation Panel on HMO Licencing, recognising that decision making on policy surrounding licencing and HMOs remains with the city council.

(3) (Subject to approval of resolution 2) officers were instructed to work with the portfolio holder for Housing, and relevant internal and external stakeholders, to refresh and refocus the terms of reference, attendees and performance measures for the Local Consultation Panel on HMO Licencing.

(4) (Subject to resolutions 2 & 3), officers return to councillors before the end of the municipal year, with a report on Local Consultation Panel on HMO Licencing the including refreshed terms of reference.

64. Care Leavers' Offer (AI 7)

Kate Freeman, Head of Looked After Children Provider Services, presented the report of the Director for Children, Families and Education, stressing the corporate parent principles and the requirement to publish a Care Leavers' Offer (which had been co-produced with Portsmouth care leavers). There were approximately 150 care leavers (aged 18-25) who had previously been in the care of the authority. There was concern at the over-representation of care leavers in statistics for homelessness, prison and mental health institutions, and the report sought a whole council approach in tackling this and giving further support post-18.

Councillor Gerald Vernon-Jackson, on behalf of the Cabinet, endorsed this approach of continuing to give corporate parent support where natural parents cannot.

DECISIONS

The Cabinet:

(1) Noted the Corporate Parenting principles and considered how each Portfolio can contribute in order to promote the welfare and outcomes of our looked after children and care leavers.

(2) Agreed the content of the care leaver offer and consider if further improvements can be made in order to optimise opportunities and support for our looked after children and care leavers.

(3) Agreed that as Corporate Parents, it is appropriate that the Council contributes to the Care Leaver offer across its portfolios; and to agree, in particular, that the cost of the birthday/festivities allowance (c £15,000 per year) is met by a proportionate contribution from each Portfolio to be determined by the Section 151 Officer in consultation with the Leader of the Council.

65. Summer 2018 Seafront consultations review (AI 8)

Claire Upton-Brown, Assistant Director of City Development, presented the report on behalf of the Director of Regeneration. The report brought together

the 2 elements of consultation on the Southsea coastal defence scheme and the review of the Seafront Masterplan SPD. This joint approach had resulted in a very successful participation and consultation exercise.

Councillor Gerald Vernon-Jackson, as Leader, reiterated how useful it had been to get the public's views and to discuss with them the plans at the consultation events.

Councillor Dave Ashmore, as Cabinet Member for Environment & Community Safety, was also pleased by the high level of public engagement and to see the priority cycling and disabled access being highlighted through the process. Councillor Ashmore looked forward to seeing the next stage progress.

Councillor Ben Dowling, as Cabinet Member for Planning, Regeneration & Community Safety, stated that it was important to see the 2 elements develop side by side and to avoid silo working. Cabinet members congratulated all involved in the consultation process, including engagement with schools as well as residents from all parts of the city.

Councillor Pitt, as Deputy Leader and Cabinet Member for Culture, Leisure and Sport, also commented on the professionalism of staff and the inclusion of young people via social media. He also thanked members of the cross-party working group for their involvement.

DECISIONS - The Cabinet:

- 1. Noted the representations received during the consultation on the Seafront Masterplan SPD Review and the Southsea Coastal Scheme which will inform the development of both projects.**
- 2. Endorsed the further technical work to produce a draft revised Seafront Masterplan SPD for consultation.**
- 3. Agreed that public engagement is undertaken on the preferred option for the Southsea Coastal Scheme to inform the preparation of the planning application and the supporting Statement of Community Involvement.**

66. Budget Monitoring 2018/19 to end of September (Quarter 2) (AI 9)

Chris Ward, Director of Finance and Section 151 Officer, presented his report, reflecting on the position for the first half of the year, for which there was a forecast overspend of £4.5m. He explained that this comprised the cumulative overspend in the 2 largest areas of Children's and Adults Social Care of £8.6m, an overspend for MMD of £3m, offset by a release from contingencies of £3m and identified savings in Treasury Management of £2.9m. There was additional government funding being announced for both Children's and Adults services (£2.4m).

Councillor Gerald Vernon-Jackson, as Leader, was concerned by the losses at MDD (as a PCC owned company) and the shortfall in the government

funding for uncontrolled pressures on social care, requesting the help of Stephen Morgan MP (who was present in the public gallery) in lobbying ministers for adequate reparation of the costs of unaccompanied minors. Councillor Stephen Morgan MP confirmed he had already written to ministers on this subject, which was welcomed by cabinet members. Chris Ward confirmed that this issue was reflected within the budget estimates, with unaccompanied minors costing £1.3m and this impacted on the growth of looked after children (LAC) for the authority. He also commented that the primary reason for the overspend was the increase of 133 LAC over the past 5 years, which is an increase of 42%.

Councillor Dowling, as Cabinet Member for PRED (with responsibility for Portsmouth International Port) reported that he, Councillor Jones and Chris Ward were all non-executive directors of MMD and they were looking at all the options for the site, with a report due to come to Cabinet in early 2019. MMD were paying rent to PCC which contributes to the budget and offsets the overall loss.

Councillor Sanders, Cabinet Member for Housing, stressed the structural budget deficit set out in the report, and for the Housing portfolio the overspend area of homelessness was being tackled.

Councillor Winnington, Cabinet Member for Health, Wellbeing and Social Care, reported that the £890,000 winter pressures government payment did not cover the costs. He reported on having a robust plan in place to address the deficit position, although some pressures are uncontrollable, due to the complex needs of some adults being cared for. He thanked the financial staff and social care staff for their hard work.

Councillor Pitt, Deputy Leader, referred to the work of an external team to assist Children's Social Care with their budget.

DECISIONS:

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

(a) An overspend of £5,721,200 before transfers from/(to) Portfolio Reserves

(b) An overspend of £4,465,200 after transfers from/(to) Portfolio Reserves

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

(iii) Members noted that the overall financial forecast for Quarter 2 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 £8,610,400.

(iv) Members noted that the underlying structural deficit which is forecast to continue into future years amounts to £5.5m. The extent to

which this cannot be remedied in the medium term will add to the Council's current forecast £4m per annum savings requirements for future years.

(v) Members noted that some additional funding from Government has recently been announced for Adults in 2018/19 and for both Adults and Children's Social Care in 2019/20 to help alleviate financial pressures nationally across the system amounting to £890,400 in 2018/19 and £2,411,500 in 2019/20, but it is not yet clear if this funding will continue beyond 2019/20 and therefore whether it can be used on an ongoing basis to part remedy the combined underlying budget deficits of £5.5m.

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

67. Portsmouth City Council Revenue Budget 2019/20 - Savings Proposals (AI 10)

(This item was referred to Council without further debate or presentation)

RECOMMENDED TO COUNCIL

(1) that the following be approved:

(a) That the overall aim of the MTFs and its key strands as described in Section 8 of the report be adopted by the Council

(b) That the Council's Budget for 2019/20 be prepared on the basis of a 2.99% Council Tax increase for general purposes

(c) That the Council continues to take advantage of the opportunity to increase the level of Council Tax for an "Adult Social Care Precept" within the limits set by Central Government (i.e. a 1.5% increase for 2019/20), and consequently that the additional funding is passported direct to Adult Social Care to provide for otherwise unfunded cost pressures

(d) The savings proposals for each Portfolio amounting, in total, to £4m for 2019/20 and continuing into future years as set out in Appendix A to enable appropriate consultation and notice periods to be given to affected parties

(2) That the following be noted:

(a) The Budget Savings Requirement for 2019/20 of £4m approved by the City Council is predicated on a total Council Tax increase of 4.49%; each 1% change (increase or decrease) in the Council Tax results in a change to the savings requirement of £747,000¹

(b) The key themes arising from the Budget Consultation

(c) The indicative savings proposals set out in Appendix B which are provided for the purpose of demonstrating to the Council that the

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

Portfolio savings as recommended in recommendation 1(d) above are robust and deliverable

(d) The likely impact of savings as set out in Appendix B

(e) That the responsibility of the City Council is to approve the overall Budget and the associated cash limits of its Portfolios and Committees; it is not the responsibility of the City Council to approve any individual savings within those Portfolios / Committees

(f) That it is the responsibility of the individual Portfolio Holders (not full Council) to approve the individual savings proposals and the Portfolio Holder can therefore, in response to any consultation, alter, amend or substitute any of the indicative savings proposal(s) set out in Appendix B with alternative proposal(s) amounting to the same value within their Portfolio

(g) Managers will commence the implementation of the approved savings required and any necessary consultation process or notice process

(h) That there is no general provision for Budget Pressures and that it is the responsibility of the Portfolio Holder to manage any Budget Pressures which arise from the overall resources available to the Portfolio (which includes their Portfolio Reserve)

(i) In accordance with the approved financial framework, it is the responsibility of the Portfolio Holder, in consultation with the Director of Finance & Information Technology (S151 Officer), to release funds from the Portfolio Reserve in accordance with the provisions set out in paragraph 10.16 of the report

(j) The MTRS Reserve held to fund the upfront costs associated with Spend to Save Schemes, Invest to Save Schemes and redundancies currently holds a modest uncommitted balance of £4.0m and will only be replenished from an approval to the transfer of any non-Portfolio underspends at year end into this reserve.

The meeting concluded at 11.08 am.

Councillor Gerald Vernon-Jackson CBE
Leader of the Council



Title of meeting:	Cabinet
Date of meeting:	5 February 2019
Subject:	Response to the Education, Children and Young People Scrutiny Committee report into school attendance and reduced timetables in Portsmouth
Report from:	Alison Jeffery, Director of Children, Families and Education
Report by:	Alison Jeffery
Wards affected:	All
Key decision:	No
Full Council decision:	No

1. Purpose of report

- 1.1 The Education, Children and Young People Scrutiny Committee conducted a review in 2018 into school attendance and reduced timetables in Portsmouth. This report sets out the response of the Children, Families and Education Directorate to the committee's recommendations.

2. Recommendations

2.1 It is recommended that the Cabinet:

- **Thanks the Scrutiny Committee for its work in undertaking the review**
- **Notes and supports the recommendations set out on pages 6 and 7 of the report, taking into account the policy and financial implications of the recommendations summarised on page 35 of the report (section 12).**

3. Background

- 3.1 The key questions explored by the Scrutiny Panel, the evidence considered and the key conclusions it reached are set out in the Executive Summary section of the report, on pages 4-6.
- 3.2 A high level of school attendance is crucial for raising standards in the city. Good attendance, together with high quality teaching, are the obvious essential requirements for an effective education system.

- 3.3 The Directorate welcomed the decision of the Scrutiny panel to review the position in Portsmouth in relation to attendance, including the use of reduced timetables to restrict attendance and the extent of and basis for decisions by parents to educate their children at home. Our response to the recommendations is set out below, taking each recommendation in turn.

Recommendation 1:

That the Council's attendance campaign is endorsed and officers consider a segmented marketing strategy tailored for different groups of parents. The Council should also include in its literature that it is parents' legal responsibility to ensure their child attends school.

- 3.4 The council initiated a new attendance campaign in September with two key campaign concepts: one aiming to raise aspirations by showing a range of different engaging employment possibilities open to children who are successful at school and the other emphasising the risks of poor attendance ("Your life depends on it"). The impact of the campaign to date is currently being reviewed, looking in detail at attendance by different groups of children and young people. If greater differentiation/market segmentation appears to be needed we will of course explore options. We do already make it clear in school admissions literature and on our website that parents are legally required to ensure their child is educated by attending school or "otherwise" (in other words education at home).

Recommendation 2:

That good practice taking place in schools should be shared through the Portsmouth Education Partnership website and this be used as a mechanism to pair good and poor performing schools with each other in order to share expertise across the city.

- 3.5 We agree that good practice should be shared through the PEP website on attendance as on other areas of school practice. Where we are concerned about levels of attendance in a school we will always signpost examples of good practice from which the school can learn. It is for schools to determine what measures they need to take to improve attendance - the council cannot insist on a particular approach - but we would certainly encourage approaches to other schools to learn from their practice.

Recommendation 3:

That practical ways to keep children in school should be used such as using minibuses to collect those not in school and schools be encouraged to consider this. The authority should also encourage businesses/partners to actively challenge any children they see out of school during the school day in term time

- 3.7 There are two separate recommendations here. We are aware that some schools use minibuses to collect children who are absent; we believe that has to be a decision for them given the resources available to them in terms of staff time as well as vehicles for this purpose. We agree that businesses and partners have an important role to play in challenging children and young people they see out of school. This links to the wider role of these partners in safeguarding children, for example those at risk of exploitation. We are currently considering with the voluntary sector, through the Bridge process, how we might best mobilise communities to combat the risks of exploitation and action in relation to children not in school will be part of that campaign.

Recommendation 4:

That the current review of alternative provision through the Portsmouth Education Partnership should explore how schools can keep children and young people engaged so that reduced timetables are only used when it is in the best interest of the child in exceptional circumstances, as this presents an increased risk to the child. Parents/carers should also be made aware that they do not have to accept a reduced timetable for their child. The panel supported the rigorous challenge provided by the department to schools around the use of reduced timetables.

- 3.8 Both through work on alternative provision and in other contexts we take every opportunity to underline to schools the risks for young people which are associated with reduced timetables. We have a clear protocol on the use of reduced timetables with tight monitoring of the rationale and expected timescale of any reduced timetables which continue for more than 6 weeks. We are pleased that the Scrutiny Committee recognised the rigour of this work. For the academic year 2018/2019 we have increased the administrative resources allocated to this work (at a cost of around £18,000) as it is so important to minimise the number of children whose access to education is restricted, albeit in principle in their own interests.

Recommendation 5:

That if alternative provision is necessary schools must ensure that there is meaningful educational provision, ideally on the school site. The number of children on reduced timetables should continue to be monitored and challenged by the local authority

- 3.9 It is vital that all schools work hard to maximise the engagement in learning of all students and we believe schools in Portsmouth do that. The council and all partners need to support schools in this work, as we do, for example, through early help and social care support to families and through support to schools in their pastoral work through our multi agency teams and locality networks. We agree that where children and young people need "alternative provision" they are usually best served by full time provision on the school site so that they remain very much within the oversight of the school and are kept safe for the whole of school day. We agree that close monitoring and challenge by the

council is essential and a key part of the exercise of the council's duty to promote the wellbeing of vulnerable children.

Recommendation 6:

That the Council strongly support the line taken by the Portsmouth Education Partnership on the private members bill on elective home education that the local authority should have that right and duty to ensure effective safeguarding of EHE children and also to the introduction of a compulsory register of EHE children

- 3.10 We welcome the support expressed by the Scrutiny Committee for a change in the law to allow councils effectively to safeguard children whose parents have opted to educate them at home. There are, of course, many children for whom home education is effective, in some cases very effective. We must learn the lessons of past Serious Case Reviews, however, which draw attention to the risks which children can be exposed to when their wellbeing is not open to the scrutiny which attendance at school provides for their peers.

Recommendation 7:

That the Council continues to help promote community projects or non-curriculum courses that look to raise the aspirations of children and encourage them to attend school

- 3.11 We agree that the Council should take opportunities where they arise to promote access to community projects designed to raise aspirations and encourage attendance. Community projects can, and do, make a significant difference to young people in the city, every day. Budget constraints mean that it is now extremely difficult for the council to provide funding itself for these activities. The Directorate works closely, however, with other organisations to increase opportunities, for example the recent successful work with the Office of the Police and Crime Commissioner and Hampshire Council Council and Southampton City Council to bring in Government funding for action to combat serious violence.

Recommendation 8:

That the Council note and support the rigorous action which the department is taking to challenge schools who have a relatively high number of pupils who have been taken off roll to be electively home educated, and to make sure that parents are making a genuine choice

- 3.12 We welcome recognition from the Committee of the action the Directorate has taken in relation to elective home education. During the course of the Committee's review we have built on this work to agree a clear protocol with schools on the processes to be followed where parents express an intention to educate their child at home. These processes will now involve a meeting between the school, the parent and the council in which a transparent dialogue

can take place with opportunities both for schools to address issues which may have led to parents considering the elective home education offer (such as issues around response to special educational needs or relationships with peers) and for the council to explain clearly to parents their legal obligations and the risks which their children may run if they are not at school. Early experience of the implementation of the protocol is very encouraging, with schools welcoming a contribution from the council which they see as supportive and positive, and parents also feeling supported in ensuring concerns are addressed.

Recommendation 9:

That the Council note the context of people choosing to electively home educate for ideological reasons and should positively engage with these parents. However it was noted that some parents are choosing this option as they are not satisfied with the SEND provision provided in school. The panel noted the funding pressures in meeting SEND provision in schools and believe that schools are doing their best to offer a broad range of provision for children. The Council should support representations being made to government about the high needs area

- 3.13 We agree that some parents opt for home education because they feel that schools are unable to meet the special educational needs of their children. We share the view of the Committee that schools in Portsmouth work hard to address the wide range of needs which children in the city have and we take the view that parents can, as the vast majority do, have confidence in their ability to meet those needs. Across the country there has been significant lobbying of the Government on the level of funding for the High Needs Block of the Dedicated Schools Grant, from which funding for those with Education, Health and Care Plans is provided. Just before Christmas the Government announced additional funding for the High Needs Block for the financial year 2019-2020. In the case of Portsmouth this welcome addition ensures that the High Needs Block will not carry forward a deficit from 2018-2019 and mitigates the need for some of the savings agreed in the Autumn by the Lead Member and endorsed by the Schools Forum. The final decision on how the additional funding will be deployed will be taken by the Lead Member later this month, taking into account the views of the Schools Forum and those of other head teachers.
- 3.14 Given the continued rise in the number of children requiring Education, Health and Care plans and in the complexity of their needs, it is unlikely that the new level of funding will fully meet needs in future years without further enhancement from the Government.

4. Reasons for recommendations

4.1. The Children, Families and Education Directorate believes that the recommendations of the Scrutiny Committee will be helpful in continued efforts to increase levels of school attendance in the city and ensure that all children and young people achieve well at school.

5 Equality impact assessment

5.1 The recommendations are designed to improve access to education for children and young people who are vulnerable to under achievement . An equality impact assessment is not required as the recommendations do not have a negative impact on any of the protected characteristics as described in the Equality Act 2010.

6. Legal implications

6.1 The recommendations do not have any legal implications for the council.

7. Director of Finance's comments

7.1 The action of the Directorate in increasing the scrutiny of reduced timetables has led to additional expense of around £18,000 in administrative staff time, although this will need to be managed from within overall resources. This activity is linked to effective early intervention for vulnerable children and young people, however, with the potential to avoid later costs through "late intervention".

Signed by: Alison Jeffery, Director of Children, Families and Education

Appendices:

ECYP Scrutiny Panel report

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:

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Portsmouth CITY COUNCIL

EDUCATION, CHILDREN AND YOUNG PEOPLE
SCRUTINY PANEL

**A REVIEW INTO SCHOOL ATTENDANCE AND REDUCED TIMETABLES IN
PORTSMOUTH**

Date published: 7 December 2018

Under the terms of the Council's Constitution, reports prepared by a Scrutiny Panel should be considered formally by the Cabinet or the relevant Cabinet Member within a period of eight weeks, as required by Rule 11(a) of the Policy & Review Procedure Rules.

PREFACE

The Education, Children and Young People Scrutiny Panel undertook a review into School Attendance and reduced timetables in Portsmouth. The picture of children's school attendance in the city is not a good one and we would be failing our youngsters if we did not recognise the issue and the implication that it has on their future.

During the review which was carried out between November 2017 and July 2018, the Panel visited several schools across the city to hear about what is being done to tackle the issue and to understand what more needs to be done to ensure that children attend school. The Panel heard from parents, voluntary sector groups, Hampshire police and children's service to not only understand why children are absent from school, but also to understand the impact that absence has on safeguarding, criminality and the future of our young people.

The panel recognised the good work that has been done and the work that all those who work within the city to support children and young people do. There is also an acknowledgement that school attendance is not the sole responsibility of schools: all agencies working with families have a key contribution to make.

Since the review concluded in the summer of 2018, concern about the absence of children from school has continued to grow, both nationally and locally. The national review of school exclusions led by Edward Timpson MP has recently been extended to include the practice by some schools of "off rolling" children; and locally a new protocol with schools has been agreed around ensuring that decisions by parents to opt to educate their children at home are fully informed including through meetings between schools, parents and local authority staff. It is clear that the committee's review was timely and its recommendations are important.

I would like to convey, on behalf of the panel my sincere thanks to all the officers and external witnesses who contributed to this review.

If we do not continue to tackle this issue then we will be failing the children and young people who need our help the most

.....
Councillor Neill Young
Chair, Education, Children and Young People Scrutiny Panel.
Date: 7 December 2018

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EXECUTIVE SUMMARY

1. To understand the main reasons for school absence and review the Council's strategy to improve school attendance.

Portsmouth's school attendance levels are in the bottom quarter nationally, although in recent years the local authority has seen improvements in attendance through the hard work of schools, parents and carers. The main reason for absence in Portsmouth, which is mirrored nationally, is health related absence which accounts for approximately 60% of absences. The panel received a copy of the Council's attendance strategy to understand the measures currently in place and the priorities, this included the Council's clear protocol on placing children onto reduced timetables. The panel also learned about the effect of education penalty notices and the prosecution outcomes.

2. To explore the use of reduced timetables, how children on reduced timetables are supported to resume full time attendance as early as possible and consider how to minimise the use of reduced timetables.

As part of the review the panel met with headteachers of a small number of schools in the city. As part of the meetings reduced timetables were discussed and the panel noted that use of reduced timetables was very varied. Some schools only used reduced timetables as a last resort dependent on the need of the child, other schools were very much against using these as it means children missing out on education. The panel also learned from the Director of Children Families and Education that the authority has guidance in place which sets an expectation that schools plan how pupils on reduced timetables will progress back to full education within a maximum 6 week timeframe. The panel also noted that pupils must only be moved onto a reduced timetable with the agreement of their parents/carers and if it is judged to be of the best interest of the child.

3. To investigate where we have good practice and where there is scope for improvement in relation to ensuring children attend school. Particular focus shall be given to vulnerable children, children with SEND, persistent absentees, those on reduced timetables and elective home education.

The panel met with headteachers of two primary schools, two secondary schools and one special school in the city to see where good practice is taking place in relation to ensuring children attend school and where there is scope for improvement. It was noted that there is a lot of good practice taking place in the city including working with the families of persistent absentees, rewards for good attendance, employing an attendance officer and creating an environment where children want to attend school. Members felt that the passion of the headteachers for delivering the best outcomes they can for young people in the city was notable.

4. To review arrangements for ensuring that where children and young people are out of school for significant periods through reduced timetables or poor attendance, there is good multi agency risk assessment and action where necessary to reduce their vulnerability to exploitation.

The panel heard from a number of local authority staff and partners about the arrangements in place to protect children with poor attendance from crime and exploitation. The Early Help and Prevention Locality Manager (South) informed the panel about the targeted approach to chronic non-attendance where children identified as having attendance of less than 50% are discussed at a multi-agency safeguarding hub to either develop a co-ordinated plan or to support schools to refer into the Early Help and Prevention team for family support. The panel also heard from the District Commander of Hampshire Constabulary and the Head of Programmes of the Active Communities Network about work they are doing to protect young people missing school from drifting into crime and being at risk of exploitation. Evidence was received from three different officers within the Council's children's social care team about the work they are doing with partners to protect vulnerable young people who may also be missing from school. All partners had serious concerns about the use of reduced timetables due to the increased risk of exploitation of the children whilst they were not attending school and reduced timetables can also put pressure on placements for children in care.

5. To investigate the reasons why parents are choosing to home educate their child and how their progress can be monitored and their safeguarding ensured.

In England, education is compulsory but school attendance is not. Parents are not required to register or seek approval from the local authority to educate their children at home. Portsmouth City Council has a clear policy on Elective Home Education (EHE) and makes it explicit to parents the responsibilities they are assuming in electing to educate at home. Numbers of pupils in Portsmouth who have at some point been registered as electively home educated are increasing each year: which is a trend mirrored nationally. The panel received some written evidence from Portsmouth Parent Voice who collated some responses from EHE parents at a home education workshop. The panel also heard the views of some parents who electively home educate their children for ideological reasons and their reasons for doing so. The relationship between EHE parents and the local authority was also discussed and the panel heard the views of parents on how this relationship could be improved.

Conclusions

Based on the evidence and views it has received during the review process the Panel has come to the following conclusions:

1. The panel noted that Portsmouth's school attendance levels are in the bottom quarter nationally, with secondary school attendance levels of particular concern. There has been some improvements in attendance rates over recent years but more progress is needed and the Council needs to be proactive in campaigning for this within the community (paragraphs 3.1-3.3).
2. The panel recognised the good leadership taking place in the schools they visited. They were keen that the best practice should be effectively disseminated across all schools in the city. They noted that some schools take active steps such as sending minibuses to collect children and supported this

approach. They also recognised the role of businesses in recognising and responding to truancy (paragraphs 5.1-5.6, 6.14 & 6.16).

3. The panel heard about the use of reduced timetables in the schools visited. While they appreciated that the circumstances could sometimes be complex, particularly at the special school whose head teacher they met, they noted that two headteachers of good/outstanding schools did not use them, and that the approach in those schools generally provided a good model for other schools to follow. The panel also noted that the use of reduced timetables increases the risks of exploitation and criminal activity (paragraphs 4.1-4.9, 6.31).
4. The panel noted that the numbers of children who are home educated is increasing annually and were concerned regarding the lack of regulation around home education (paragraphs 7.2 & 7.3).
5. The panel noted that some parents are choosing to home educate their children for ideological reasons and have a very positive experience of home education. It was also noted that some parents are withdrawing their children as they are dissatisfied with the education provision, including provision for children with Special Education Needs and Disability (SEND). There are routes for dialogue with schools which parents should be encouraged to pursue; responsibility for addressing issues raised by parents lies with schools. The panel was concerned however that some parents are taking on home education when they do not appreciate and/or struggle to meet requirements, and that they may not always be taking a fully informed, independent decision (paragraphs 7.11-7.26).

Recommendations

1. That the Council's attendance campaign is endorsed and officers consider a segmented marketing strategy tailored for different groups of parents. The Council should also include in its literature that it is parents' legal responsibility to ensure their child attends school. (conclusion 1)
2. That good practice taking place in schools should be shared through the Portsmouth Education Partnership website and this be used as a mechanism to pair good and poor performing schools with each other in order to share expertise across the city. (conclusion 2)
3. That practical ways to keep children in school should be used such as using minibuses to collect those not in school and schools be encouraged to consider this. The authority should also encourage businesses/partners to actively challenge any children they see out of school during the school day in term time (conclusion 2).
4. That the current review of alternative provision through the Portsmouth Education Partnership should explore how schools can keep children and young people engaged so that reduced timetables are only used when it is in the best interest of the child in exceptional circumstances, as this presents an increased risk to the child. Parents/carers should also be made aware that they do not have to accept a reduced timetable for their child. The panel supported the rigorous challenge provided by the department to schools

around the use of reduced timetables. (Conclusion 3).

5. That if alternative provision is necessary schools must ensure that there is meaningful educational provision, ideally on the school site. The number of children on reduced timetables should continue to be monitored and challenged by the local authority (conclusion 3).
6. That the Council strongly support the line taken by the Portsmouth Education Partnership on the private members bill on elective home education that the local authority should have that right and duty to ensure effective safeguarding of EHE children and also to the introduction of a compulsory register of EHE children (conclusion 4).
7. That the Council continues to help promote community projects or non-curriculum courses that look to raise the aspirations of children and encourage them to attend school (conclusion 3).
8. That the Council note and support the rigorous action which the department is taking to challenge schools who have a relatively high number of pupils who have been taken off roll to be electively home educated, and to make sure that parents are making a genuine choice (conclusion 5)
9. That the Council note the context of people choosing to electively home educate for ideological reasons and should positively engage with these parents. However it was noted that some parents are choosing this option as they are not satisfied with the SEND provision provided in school. The panel noted the funding pressures in meeting SEND provision in schools and believe that schools are doing their best to offer a broad range of provision for children. The Council should support representations being made to government about the high needs area (conclusion 5)

The budgetary and policy implications of these recommendations are set out in section 12 on page 35.

1. Purpose.

The purpose of this report is to present the Cabinet with the recommendations of the Education, Children and Young People Scrutiny Panel following its review into school attendance and reduced timetables.

2. Background.

- 2.1 The Scrutiny Management Panel agreed on 29 September 2017 that the Education, Children and Young People Scrutiny Panel's topic for the municipal year should be to review school attendance and reduced timetables in Portsmouth.
- 2.2 The review was undertaken by the Education, Children and Young People Scrutiny Panel, which comprised:

Councillors Neill Young (Chair)
David Tompkins (Vice Chair)

Will Purvis
Ben Dowling
Paul Godier
Suzy Horton

2.3 Following Annual Council on 15 May 2018 the panel comprised:

Councillors Neill Young (Chair)

Tom Coles
David Fuller
Frank Jonas
Will Purvis
David Tompkins

In addition, as stated in the Council's constitution, each relevant policy and review panel dealing with education matters shall include in its membership education representatives (referred to in Article 6.2 of the Constitution). Representatives for the review were Sara Denham (Governor Forum representative), Helen Reeder, (Teachers Liaison Panel representative) and Rob Sanders (Director of Education for the Anglican diocese).

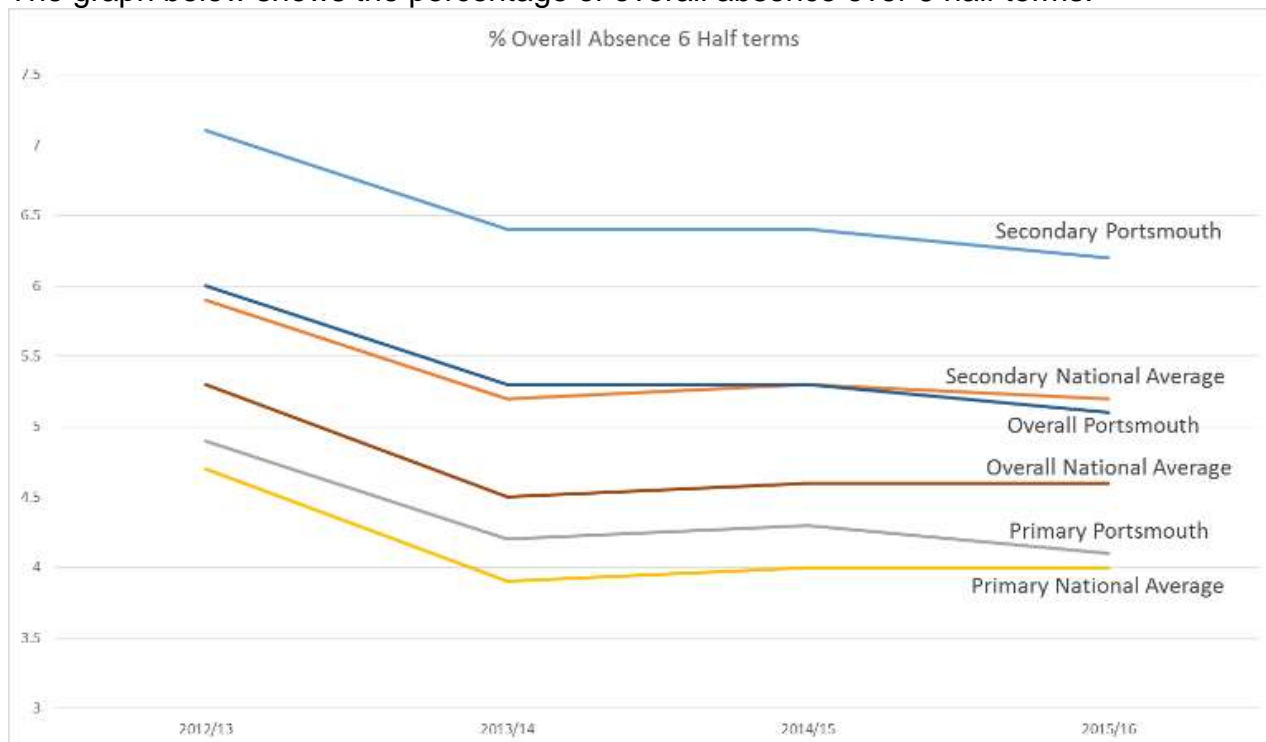
2.4 At its meeting on 3 November, the Panel agreed the following objectives:

- To understand the main reasons for school absence and review the Council's strategy to improve school attendance.
- To explore the use of reduced timetables, how children on reduced timetables are supported to resume full time attendance as early as possible and consider how to minimise the use of reduced timetables.
- To investigate where we have good practice and where there is scope for improvement in relation to ensuring children attend school. Particular focus shall be given to vulnerable children, children with Special Educational Needs and Disability (SEND), persistent absentees, those on reduced timetables and elective home education.
- To review arrangements for ensuring that where children and young people are out of school for significant periods through reduced timetables or poor attendance, there is good multi agency risk assessment and action where necessary to reduce their vulnerability to exploitation.
- To investigate the reasons why parents are choosing to home educate their child and how their progress can be monitored and their safeguarding ensured.

2.5 The Panel met formally to discuss the review on five occasions between 3 November 2017 and 13 July 2018. A list of meetings held by the Panel and details of the written evidence received can be found in *appendix one*. A glossary of terms used in this report can be found in *appendix two*. The minutes of the Panel's meetings and the documentation reviewed by the Panel are published on the Council's website www.portsmouthcc.gov.uk.

3. To understand the main reasons for school absence and review the Council's strategy to improve school attendance.

- 3.1 The Director of Children, Families and Education explained that Portsmouth's school attendance levels are in the bottom quarter nationally. There has been a drive to improve attendance with some success but more progress needs to be made.
- 3.2 In recent years the local authority has seen improvements in attendance rates in Portsmouth schools. These have been achieved through hard work by schools, parents and partners. However, the fact is that Portsmouth pupils do not attend school as regularly as their peers nationally, so there is still more work to be done. The graph below shows the percentage of overall absence over 6 half terms.



The work needed to improve school attendance is outlined in the priorities within the strategy and is overseen by the Behaviour and Attendance Group (BAG). It must however be noted that there is also other legislation, guidance and vulnerable groups that sit within the broad umbrella of non-attendance: those on reduced timetables and those who are not on roll of a school; classed as children missing education. Equally there are those who have elected to home educate, and the Council may have concerns around the reasons for this parental decision and whether education is taking place.

- 3.3 The Director of Children, Families and Education said that the LA know those most likely to be absent from school in Portsmouth are white British, eligible for free school meals, those with special educational needs and children who have a history of absence. The main reason in Portsmouth for absence, which is mirrored nationally is health related absence. These account for approximately 60% of absences.
- 3.4 Persistent absentees (PAs) (those that were absent for 10% or more of the possible sessions) are a local and national focus (in 2015/16 the percentage of PAs was 12.8% in Portsmouth and 10.5% nationally)¹. These figures are reviewed

¹ [Most Recent National Data for a whole academic year 2015/16](#)

electronically with schools on a six weekly basis. This ensures that schools discharge their duty to report all irregular attenders to the LA and also provides the opportunity for the LA to monitor action being taken as well as to advise of action that should be taken. In 2016/17 there were 3509 pupils reported whose attendance was below 90% (see appendix 2).

- 3.5 Portsmouth has also selected to identify a further subgroup of absentees and has termed these Chronic Non-attenders (CNAs) (those who attend school for less than 50% of the possible sessions). These are a subgroup of PAs. There is no comparable national data available for this measure but given that there is a wealth of evidence around school as a protective factor, it is key that this group have particular focus. In recognition that it is likely to be the services and agencies other than schools that can affect the most change, these are referred to the Multi Agency Safeguarding Hub (MASH) to be picked up by the multi-agencies teams in each locality by assigning a key lead to each case. From this academic year, schools will refer cases to the MASH but the school attendance team will also provide a list of those identified to the MASH and Early Help locality leads each half term.
- 3.6 In recognition of the need to combat absence due to health related reasons, a pilot is currently running with 11 schools to increase the amount of school nurse time and intervention.
- 3.7 In Portsmouth the LA encourages supportive pastoral action to be taken alongside the more punitive legal routes. Evidence shows that consistency of application in respect of the framework of legal action is supportive to early help intervention.
- 3.8 **Attendance Strategy**
Portsmouth has an attendance strategy which has 4 main priorities:
1. That parents meet their responsibilities to ensure their child attends school regularly.
 2. That schools have effective leadership and management of attendance in place.
 3. That partners provide additional needs based support that contributes to improvements in attendance.
 4. That a high profile of the key attendance messages is maintained in the community.

Within the strategy each of those priority areas (which were widely consulted on and endorsed by the Behaviour and Attendance Group) are expanded to explain how to move forward to achieve that result.

- 3.9 The Director of Children, Families and Education explained that the Council has a broad strategy for increasing school attendance and a very clear protocol in place covering decisions to place children or young people on a reduced timetable. She said she had written to all schools at the beginning of term to confirm this protocol, reminding them that children should not be on reduced timetables for longer than 6 weeks. It is predominately secondary schools that use reduced timetables. The Council's guidance underlines the safeguarding risks to children and young people who are not in full time education.

Education Penalty Notices and Prosecution outcomes

- 3.10 The Admissions, Attendance, Exclusions and Reintegration Manager, said it is important to note that it is not the LA who initiates education penalty notices but the school who make the request of the LA. The LA will review the case and then take it up with the Magistrates Court.
- 3.11 It is fair to say there has been an increase in education penalty notices with the only fluctuating figure being the one around leave of absence. Persistent Absentees are those whose attendance is below 90% and schools have a realisation that in order to improve their overall attendance they need to focus on this group in order to meet national targets. Schools are obliged to report those who attend irregularly. Every 6 weeks the LA review all schools and ask what they are doing about this. Schools issue penalty notices, most schools choose to and attendance does improve. It is important to have the continued pastoral support coupled with the legal framework.
- 3.12 In January for regular attendance there were 35 penalty notices issued for irregular attendance and 54 for leave of absence. In 2016/17 there were 1,042 issued in terms of leave of absence and 418 issued in relation to irregular attendance. If the LA does not have details as to who the child is living with, both parents will be prosecuted.
- 3.13 In terms of repeat offenders, the Admissions, Attendance, Exclusions and Reintegration Manager said the LA has this data. It is of more concern when a child is frequently away on a Friday and Monday. Schools have the right of discretion on whether to issue an education penalty notice.
- 3.14 Members commented that some countries such as France stagger school holidays around the country, so there is not the same net effect of everyone going on holiday at the same time. If Portsmouth were to consider this it would need to be done in conjunction with Hampshire County Council as some children in Portsmouth attend school in Hampshire. Members noted that Flying Bull Academy have decided to use all their inset days at the end of the Summer holidays so that parents can take their children away for that week at a lower cost. Although the parents find this useful, the panel heard a view from one professional that from a professional development point of view this may not be as useful as teachers need professional development throughout the school year.
- 3.15 The Director of Children, Families and Education explained that schools do lose funding for a child who is permanently excluded. For headteachers exclusion is a last resort and they will do everything they can, including reduced timetables to avoid excluding a pupil. The Teacher Liaison Panel representative who is also a teacher at a primary school in the city explained that hard to place pupils are discussed at the Inclusion Support Panel. Each year group at the schools are RAG rated so if there is a hard to place pupil they will be placed at a school with a green rating for that year group. The Director of Children, Families and Education said that this system is very valuable for the city and envied by other local authorities. The Attendance, Admissions, Exclusions and Reintegration Manager said attendance is not an indicator itself of a pupil being hard to place, but could be an indicator alongside others when making judgements as to whether a pupil should be categorised as hard to place.

4. To explore the appropriate use of reduced timetables, how children on reduced timetables are supported to resume full time attendance as early as possible and consider how to minimise the use of reduced timetables.

4.1 The Panel were advised by officers that reducing a pupil's timetable is a strategy that a school might look to employ in order to regain success with a pupil who is displaying challenging behaviour, to reintegrate a pupil from a prolonged period of absence or for medical reasons. Portsmouth has guidance in place to ensure that schools carefully assess the relevance of this strategy and as part of this plan how the pupil will progress back to full-time within the 6 week timeframe that the guidance gives as the maximum length.

4.2 The current activity data (current picture of those on a reduced timetable (not for medical reasons):

Number of primary aged pupils at mainstream on a reduced timetable = 26,
Number of Secondary aged pupil at mainstream on a reduced timetable = 35,
Number of pupils in special school on a reduced timetable = 19. If those that were on reduced timetables for medical reasons are excluded in the academic year 2017/18, there were 207 pupils that at some point had their hours reduced.

4.3 Members asked headteachers during their meetings whether they used reduced timetables and if so what they felt the benefits/pitfalls were by using them.

4.4 Victory School

The Head of Victory Primary School said that the school only use reduced timetables occasionally for a particular purpose and is dependent on the need of the child. For example they will use a reduced timetable if a child is at risk of permanent exclusion they are used because the child's got more chance of being successful in school for a shorter period of time or untargeted time. At the time of the meeting the school had two pupils on reduced timetables.

4.5 Flying Bull Academy

The Head of Flying Bull Academy said that the school does not use reduced timetables as it means children are missing out with their education. There has only been one child they have done this for recently as the child could not cope with being in school all day as a result of their mental health. A therapeutic timetable was put together for them.

4.6 St Edmunds

The Head of St Edmunds said reduced timetables would only be used for students with medical issues, but he did not like to use them personally. The school have just worked with the Attendance Service where they put a child on a reduced timetable to return them into school. He said that generally he did not believe this was effective and there were other strategies that could be used. It was not used for SEND children and the key is knowing the children/families.

4.7 Admiral Lord Nelson School

The Headteacher of Admiral Lord Nelson said that the use of reduced timetables depended upon the case and the individual as to whether reducing it down is going to be the right thing to do. If there was a child who they knew would not engage in any form of education other than on site they might decide to offer them an hour after

school to ensure that they are able to complete their English and Maths GCSEs to ensure that the school maintain contact with them. There are also children where it is not safe to have them mixing with other children and it might mean that other children don't attend school if that particular child is there.

4.8 Harbour School

The Harbour School do reluctantly use reduced timetables. They use them (a) when the funding will only pay for a reduced commission (e.g. medical tuition or young parents) (b) to engage/re-engage some learners back to full time and (c) to break the cycle of repeated violence for some learners. Every learner at the school has an individual risk assessment and this would form part of the decision. The headteacher went on to explain that the pitfall is that it puts those vulnerable young people at further risk in the community and puts extra pressure on their families where there is a lot of tension between families. If children are violent or anxious at school they are usually violent and anxious at home. The school were very aware whenever a young person is put on a reduced timetable, that the pressure is shifted somewhere else. On the other hand there are times when in order to break a cycle of violence or to engage a young person that's been out of school for a long time, they will use a reduced timetable for a period of time.

4.9 The Director of Children, Families and Education said that Portsmouth has guidance in place to ensure that schools plan how the pupils on reduced timetables will progress back to full-time education within the maximum 6 week timeframe. If it is likely that this timescale will not be met, schools must notify the local authority to explain the reasons why. The Admissions, Attendance, Exclusions and Reintegration Manager added that pupils should only be moved onto a reduced timetable with the agreement of parents and if it is judged to be of the interest to the child. A strong case is needed and the expectation is that there are other interventions in place. The Council also make clear to schools the safeguarding risks to pupils if they are on a reduced timetable. This guidance applies to academy schools as well as to LA maintained schools. With regard to numbers it was predominately secondary pupils on reduced timetables.

5. To investigate where we have good practice and where there is scope for improvement in relation to ensuring children attend school. Particular focus shall be given to vulnerable children, children with SEND, persistent absentees, those on reduced timetables and elective home education.

5.1 The Admissions, Attendance, Exclusions and Reintegration Manager advised that the biggest reason given for non-attendance in the city is medical. Some of those are genuinely ill and the LA need to support them and make sure they receive the right health treatment and access to services. Some of them were ill but actually could have returned to school sooner if their parents were better informed. There are others that did not need to be off in the first place and the LA needs to navigate those groups but sometimes people within education do not feel they have the skill set, knowhow or level of gravitas to be able to undertake that challenge. Schools have been given the opportunity to buy into the school nurse project as a pilot and the LA is hoping that will make a difference. Members met in pairs with headteachers of two primary schools, two secondary schools and the Harbour School which is a school for children with special educational needs, during December 2017 and January 2018 to

discuss a number of matters around school attendance.

5.2 Primary Schools, Flying Bull Primary Academy and Victory Primary

Members reported that both schools were reflective about the range of challenges that local families faced, which could act as barriers to better attendance if not addressed. Both schools offer rewards scheme for children who obtain a certain level of attendance each term. Both schools had also mentioned cut backs in the school nurse service having an impact on school attendance. The headteacher of Flying Bull added that although the Early Help offer is good and the team leader of the MASH is brilliant, the school have to ask the parents' permission before they could give any advice, an Ofsted requirement, but it slows down the process.

5.3 Members reported that they had been very impressed with Flying Bull's approach to working with the families of persistent absentees and this was now not an issue for the school, although they were aware that they still need to monitor this and not become complacent. The key message from both primary schools visits was that schools need to create an environment where children want to attend school. An example was given that the headteacher of Flying Bull Academy had shared where pupils who are off sick have asked to go back to school before the 48 hours as they did not want to miss a particular lesson they are enjoying. With regard to how everyone could work together to help parents meet their responsibilities for their child's attendance, it was felt that parents should be targeted. The headteacher said that there are a generation of parents where issues were not dealt with when they were younger which can affect the attendance of their children. There needed to be a family strategy around all aspects of parenting and attendance should be part of that. Flying Bull use pupil premium money to employ a full time attendance officer to monitor and improve attendance who is linked to the school's learning and pastoral team. The officer provides advice and support to families and when he meets with them for an attendance support planning meeting they will draw up a plan with targets for both the school and the child. Members had also been interested to note that at Flying Bull they have all of their inset days at the end of the summer holidays in September. This encourages parents to take their family holiday during a cheaper time of year and stops some parents taking their children out of school during term time.

5.4 Mr Hartley, Head of Victory Primary said that the local authority had sent a leaflet about winter illnesses out to schools which they refer to when parents ring to report their child unwell. The headteacher also held an assembly about how to keep yourself healthy e.g. washing their hands. The school also inform parents when they should keep their children off school e.g. 48 hours if they have a stomach bug. In some extreme cases children are constantly unwell so he has started the early help process with team around the child meetings which were attended by a paediatrician. With regard to their persistent absentees, these included the mental health of parents, compassionate leave due to family member passing away, involvement with children's services/becoming a looked after child and medical issues. The school do try and get parents involved in school life and with the early years this has massively improved with parents coming in for reading sessions etc. Parental participation is still a concern.

5.5 Secondary Schools, St Edmunds and Admiral Lord Nelson

St Edmund's has a very high attendance record and members heard about a number of good practice initiatives. The school works with individual children to address barriers to attendance. There have been cases where the school have bought school uniforms for children of low income families. The school had highly personalised interventions and attendance was a key priority for the school. The school understood their attendance data and constantly monitor and review this. The school has a strong senior leadership team and their key priority was creating somewhere that pupils wanted to attend. The headteacher of St Edmunds explained that he made it clear to parents that before their child starts secondary school they would have to meet with him or one of the senior team to discuss any issues already highlighted by their primary school or any issues of concern for the parent. The school employ a school attendance officer. The school did not like to use reduced timetables and these are only used for pupils with medical issues. Another key point to note was the outreach work that the school does includes staff going to meet with every parent before their child starts at the school. This is a big time commitment but it was felt this helped parents understand expectations. The headteacher was also reflective about the range of challenges faced by local families which could act as a barrier to better attendance if not addressed. The cut backs to school nursing has also had an impact on school attendance.

5.6 The headteacher of Admiral Lord Nelson Schools said their biggest concern is their persistent absentees and they have focussed heavily on this to ensure these pupils have a good individual attendance plan with lots of parental engagement. The school has an alternative provision at Broadside which is on site. The school created this as the number of students finding mainstream curriculum challenging is increasing and there are not always the spaces to move them to alternative provision in the city. They also have students who are dual registered at the Harbour School. These students have got very good plans for family that either the Early Help Team are involved with or they are children protection cases. The school has an extensive and experienced pastoral team with a lot of staff support. In terms of rewards these include a leadership programme similar to the Duke of Edinburgh Award scheme which they can only attend through achieving 96% attendance. They also run rewards trips such as ice skating. The school have an attendance officer.

5.7 Special School - The Harbour School

Members learned that attendance at the Harbour School has improved although it is not as good as the headteacher wanted it to be. Attendance is approximately 69% across the whole school compared to 70% for similar schools nationally. The head is very committed to improving attendance and there is a vocational curriculum which has really helped with school attendance as children are doing subjects they enjoy. All pupils study English and maths and there have been a number of successes. Members had been most impressed with the attitude of the headteacher and the fact that according to the headteacher no children are permanently excluded, the school work with pupils to achieve the best outcome for them. They were also impressed with the headteacher's knowledge of the school and the individual approach taken. The Director of Children, Families and Education added that there is an expectation that attendance will improve further when the Fratton part of the school moves into the new Vanguard site with purpose built facilities for vocational education.

5.8 Mr Hunkin said that the school has a good relationship with the local authority and also Child and Adult Mental Health Services (CAMHS). They provide the school with

consultants where they come and provide advice and support. The difficult thing is where families do not meet the criteria for a statutory intervention like social services but will not engage with the early help. These are often families with young people who are not attending school and if the school can get to those families it would make a difference.

- 5.9 The school do lots of physical outdoor activities including sports BTEC, physical education and also run a forest and beach school. It also has a sports hall, gym, dance studio and as this can help children with SEND express their feelings.
- 5.10 At their meetings, headteachers were asked their views about how the Council could collectively ensure that key attendance messages maintain a high profile within the community. The headteacher of Flying Bull Academy said he felt there were three key areas (a) the personal face to face with the family on how the school can support them, (b) personal rewards for good attendance and (c) getting all staff on board and having a named person be responsible for school attendance. Often parents do not want to speak to the headteacher and prefer to talk about personal issues with the attendance officer who has links with the community.
- 5.11 Members felt that they had heard about much good practice taking place at the schools they had visited. The passion of the headteachers for delivering the best they could for young people was notable. It was now important that this good practice is shared among schools in the city.

6. To review arrangements for ensuring that where children and young people are out of school for significant periods through reduced timetables or poor attendance, there is good multi agency risk assessment and action where necessary to reduce their vulnerability to exploitation.

- 6.1 Children missing education are children of compulsory school age who are not registered pupils at a school and are not receiving suitable education otherwise than at a school. A report to the PSCB in September 2017 outlines the current position and recommendations. All schools must notify their local authority when they are about to remove a pupil's name from the school admission register under any of the 15 grounds listed in the regulations and also must make reasonable enquiries to establish the whereabouts of the child jointly with the local authority before deleting the pupil's name from the register. There were 172 pupils that were deemed missing at some point last academic year (2016/17) but all but 4 were located without having to refer to the police at the point of the snapshot.
- 6.2 During the meeting two of the panel members had with the headteacher of the Harbour School, it was noted that the school has a good working relationship with CAMHS with supporting learners with mental health needs. The headteacher however felt that the Early Help Service needs to support the school more with their hard to reach families.

Evidence from the Early Help and Prevention Locality Manager (South)

- 6.3 The panel received a presentation from the Early Help and Prevention Locality Manager (South) on a proposed targeted approach to chronic non-attendance (lower than 50%). He explained that there are three localities; north, central and south and

each has their own business plan looking at the core objectives. School attendance is a high priority for each of the localities. In terms of chronic non-attendance, there are lots of reasons for this outside of the school environment.

- 6.4 Under the proposed approach, the Council will examine data to identify all children whose attendance is less than 50%. The multi-agency safeguarding hub (MASH) will triage this data to see if any children who are below 50% attendance are already known to children's social care. If services are already involved but there is no lead professional identified, the three Think Family mentors based in the MASH will identify a lead professional and support the development of a co-ordinated plan. Where there are no agencies involved, schools will be supported to refer into the Early Help and Prevention team for whole family support.
- 6.5 The Early Help and Prevention Locality Manager (South) referred to the chronic non-attendance flow chart (appendix 3) and said route 1 is something the LA will be trialling but hoped in the long-term that this will not be required. Where children are not attending school the service will work directly with their family. In some instances poor attendance is linked to the wider family and parenting capacity so the family worker is linked to the family to ensure that parents are engaged. This approach to chronic non-attendance will be piloted to schools in the south locality and at King Richard School during the spring term and then reviewed before rolling out to the other two localities.
- 6.6 The Director of Children, Families and Education added that the Council is encouraging schools to use the child sexual exploitation (CSE) toolkit more extensively. Currently children at risk are identified to the Safeguarding Board through the MASH but these are predominately only the high risk children and they do not hear as much about the low risk children. It was noted that children can move from low to high risk very quickly and it is important to pool intelligence so that the true level of risk can be accurately assessed and appropriate action taken.
- 6.7 The panel learned from the headteacher of the Harbour School that within their chronic non-attenders there are some who are on the Missing, Exploited and Trafficked (MET) list. There are some young people who are putting themselves at risk when they are not at school through potential CSE and the school are seeing more people being groomed into gang cultures. The headteacher attends these meetings where the children will be discussed so there is joint information sharing about vulnerable young people. When it was identified that the school had a number of children that were at risk of CSE they put training in place for all staff.
- 6.8 When asked how he thought everyone could work together to better help parents meet their responsibilities to ensure their child attends schools regularly, the headteacher of the Harbour School suggested:
- Commissioning a higher number of places for learners with the most significant and complex Social Emotional Mental Health (SEMH) needs;
 - Further develop the multi-agency locality team support for chronic non-attenders;
 - Where a child has to change foster carer because of a placement breakdown, it would be helpful if a school place near to the new home could be found quickly. The Director of Children, Families and Education advised that this is always a high priority for the Virtual School for looked after children, often working with other local authorities.

Maggie Blyth, District Commander for Portsmouth, Hampshire Constabulary

- 6.9 The District Commander explained that Hampshire Constabulary is responsible for all policing in the city and children missing school is a priority for the city. Over the last 12 months they have seen a significant rise in serious violence in children aged between the ages of 12 and 17. This is reflected across the whole country. There is concern that some young people are committing a series of crimes and that many of these young people will be exploited as being under 18 they are vulnerable. Hampshire Constabulary see these young people as children first, who need protecting and they know they can only do their job by working with other agencies. The police have been looking at what is behind their behaviour that makes them drift into crime, and one of the biggest indicators for the police is the number of children that go missing on a repeat basis from home/care and school.
- 6.10 Children who are missing repeatedly are more likely to be exposed to other forms of exploitation taking place in the city. This is a continuing priority for Hampshire Constabulary to look at working with other sectors to reduce the harm. Hampshire Constabulary are working with partners to improve attendance at school and improving engagement in meaningful activities. It is recognised that full time schooling is not always appropriate for some children but there is a concern that without the wraparound that school provides that children can quickly link with other children in the city as Portsmouth is a small city.
- 6.12 There are particular forms of criminal exploitation related to county lines which is the running of drugs from outside and inside of Portsmouth. Established criminals are using young people to transport drugs as it is easier for them. There are also issues of grooming linking with CSE. County lines is just one issue and they are looking at how to work with other agencies to ensure young children do not get drawn into this activity which seems very tempting as they can earn hundreds of pounds each week rather than attending school.
- 6.13 Hampshire Constabulary are seeing a small cohort of children who are repeat offenders who are involved with more serious criminality. The District Commander was in a conversation with the YOT recently where it showed that a smaller number of first time entrants into the youth justice system but they are coming in at a more serious level. She was keen to work more closely with schools in partnership to ensure that early signs of vulnerability are quickly addressed. The police treat them as children but also work with others to hold them to account for their behaviour.
- 6.14 As Portsmouth is a small city, there is some good information sharing across the city. Schools are generally good at reporting children going missing but this could be better and they know that schools do not always report despite there being a statutory duty for them to do so. Anything the local authority can do to improve this would be welcomed. The District Commander said in some areas of the country they have a minibus that goes out to collect any children missing from schools and this can help with any children who are too scared to come into school. In response to a question, Neil Stevenson added that academy schools still have a statutory duty to report missing children and each school should have a protocol to deal with this. Some schools do have minibuses and track children.

- 6.15 With regard to EHE, the District Commander said she deferred to the report by the Office of the Children's Commissioner published last year on EHE that shows clearly that if there is a statutory maintenance of a register of EHE children it allows everyone know from a statutory context where children are. The District Commander said she completely accepted that some parents choose EHE, however there is a potential issue that at times the local authority do not know who these children are if they are not registered at school or with a GP.
- 6.16 The District Commander said a focus on understanding and tracking the city's missing population and the tracking of these children is important. An acceptance was needed across schools and policing that this is something that needed to be tackled. She added that any practical ways to keep children in school, such as minibuses would be welcomed so that the police can work with headteachers to keep children in school.

Julian Wadsworth, Head of Programmes (Hampshire) Active Communities Network.

- 6.17 The Active Communities Network is a national sport for development charity operating in areas of high deprivation across the country. The charity do work around resilience, positive pathways, employability skills, and reduction of crime and do this using sport as well as cultural, arts and digital means. The charity is nationally known as sports development charity but in terms of the work in Hampshire it is a tool to offer engagement, build trusting relationships and offers pathway opportunities. They have a programme in Leigh Park which has been running over the last 4-5 years and 16 months ago they developed a programme in Charles Dickens and St Thomas wards. In terms of Hampshire the charity has a reputation of successfully working with policing teams, Hampshire Police & Crime Commissioner Home office and across LA departments including Children's Services plus partners within the voluntary sector.
- 6.18 Nationally the charity is secretariat to the cross party Parliamentary Violence Commission and is very aware that youth violence is on the rise in Hampshire which is a highly complex situation. Parent/carer support is a major issue and if the support is not there this does not support that young child being retained in school.
- 6.19 Since they have been operating in the Charles Dickens area they have seen children not in full time education who present with vulnerability and they are working particularly with a female cohort who were identified through their outreach work. There is a mixture of EHE children who have been home educated over a period of two years and have increasingly seen trigger factors such as vulnerability and drugs, there is no evidence of those individuals currently being exploited by organised crime gangs but there are increasing risk factors. The majority of EHE children they work with appear not to be home educated due to ideological reasons. The Head of Programmes said he has a linkage with EHE groups and said he has nothing against them at all as many do flourish.
- 6.20 The Head of Programmes a member and represents at the Home Office Ending Gang Violence and Exploitation UK forum said he was concerned about the increasing risk factors of children not attending school to Criminal Exploitation and Sexual Exploitation. He was also very concerned about the mind-sets of some of the young people coming through. They are seeing 10 and 11 year olds presenting with

adverse child experiences who have already got educational difficulties. The Head of Programmes said he is very concerned about the mind-sets of these vulnerable children who refer to 15 and 16 year olds who are involved in gangs as their role models. There is increased risk of vulnerable young people of all ages gravitating towards Organised Crime Gangs & Urban Street Gangs and undertake drug running to make easy money.

- 6.21 There is a crossover between CCE and CSE and this has been backed up with the latest data from the vulnerability unit looking at trends in themes. Hampshire is very affected by CCE and if the gangs believe police are picking up the most vulnerable children they will move to exploit other students including those within Further Education. Julian felt there needed to be greater awareness in schools about the most effective forms of pastoral care as the situation is fluid and organised crime gangs are sophisticated in their approach.
- 6.22 The Head of Programmes felt that looking at transitions was very important as children are very vulnerable at these stages. He felt that schools needed to increase Early Intervention and target Year 5 and 6 pupils to put more creative pieces of work in place in to change the mind-set of young people and offer pastoral support in both schools and community. There are other cohorts of really vulnerable young people, particularly females who do not present with serious risk factors of violence but present with risk factors of vulnerability.
- 6.23 The Head of Programmes said in terms of pastoral welfare a more collaborative approach in years 5 and 6 is needed to help with the transition to secondary schools. He was also concerned about the increase of CCE. There had already been great work in Portsmouth on CSE through multi-agency and MET groups. He considered that understanding of County Lines Criminal Exploitation of Children is key and needs more work in conjunction with a youth service offer across city. In terms of the wider cohort for retaining children in school it is very complex regarding EHE and more robust legislation is required from the government. The charity have a good relationship with academies and are working positively with them.
- 6.24 With regard to part time timetables, the Head of Programmes said that now there are a lot more complex situations and higher levels of vulnerability. It is a highly complex and difficult situation.
- 6.25 The Head of Programmes said that although there are resource issues both nationally and locally, the year 5 to year 7 age group is vital and is where this is make or break for some young people. The Head of Programmes said he is meeting with heads as he would like to see some awareness training for pupils and staff on CCE. Year 10 pupils on very limited timetables is a particular issue that his charity are currently dealing with and he has a few young people on this model.
- 6.26 The Education team are working in a very difficult situation due to a lack of resources and external challenges. CCE has rapidly increased over the last 2-3 years. The Head of Programmes said he is really concerned with those young people whose parents are not able or willing to offer pastoral and parenting support and may not realise they can skip school and are earning money but putting themselves in danger.

6.27 Active Communities approached a particular school about training and initially they were very sceptical however three months later they were very keen for the support due to a number of incidents that had occurred. The charity are doing as much as they can go to get schools on board but continue to deliver awareness and safeguarding, increasing credible youth development opportunities for young people within the community and operating robust safeguarding practices, which is equally important.

Children's Social Care

6.28 Sarah Newman, Deputy Director Children and Families, Adam Shepherd, Head of Assessment and Intervention and Jude Findlay, Service leader gave evidence to the panel from the children services perspective.

In terms of numbers there are currently:

- 197 home educated children, with 28 of these open to the Children and Families service.
- 166 children on part time timetables with 42 of these open to children's social care and 35 are open to early help.
- 210 non-attenders, with 69 open to CSC and 44 open to early help.
- 7 CSE children, 6 at risk of CCE. For part time pupils there are 3 CSE and 5 CCE.
- Of those home educated there are 3 at risk of CSE.

6.29 The Head of Assessment and Intervention said that those children who are not attending school and not open to children's social care or targeted early help may not be on anyone's radar outside school and therefore risks are not always picked up. Partners need to ensure these young people are not dropping through the net. The Service Leader said that there are very few CSE toolkit assessments (matrix of scoring children at risk of CSE) from schools and very few completed unless children are open to social care.

6.30 The Deputy Director Children and Families added that where children are going missing from home, Children's Services are very alert to whether they are also at risk of being exploited. Where children going missing from school, schools are not always making the link to exploitation as readily and that is a vulnerability across the system. Barnados are doing work around their exploitation tools and thinking about how to better engage with education so schools are much more alert if children are missing school.

6.31 The Head of Assessment and Intervention said that they have serious concerns about the use of part time timetables by schools. Out of the part time timetable list there are a significant number open to children in need, including those in need of protection and looked after children. This is putting increased pressure on families, carers and increasing the risk of exploitation. It also has a significant impact on the police, children's social care and the young person.

6.32 The Deputy Director Children and Families added that when Children's Social Care get involved to address issues within families, including increasing school attendance, there is often improvement but when social care end their involvement,

without careful oversight this can slip and the cycle resumes. The Council is trying hard to with services across the whole system so that improvement is sustained.

- 6.33 The Deputy Director Children and Families said that based on the figures discussed earlier that on a normal school day there could be potentially up to 573 children out of school across the city at a particular time. Those children who CSC know are vulnerable will have services in place to support them. However, across the system partners need to ensure that they know about all of those 573 children and how vulnerable they are. Schools are getting better at reporting to the MASH (Multi-Agency Safeguarding Hub) where school attendance is an issue. The targeted early help teams are picking up more cases and assessing young people who are not in school, to be clear of the level of vulnerability. Continued vigilance is essential.
- 6.34 The Deputy Director Children and Families agreed that focusing on school transition groups from primary to secondary school was the right age group to target. From a CSC perspective they see where the needs of those children are not fully understood and there are issues that can be missed. Whilst community engagement is great, it has to be supported by schools having a sense about what is going on with each child in order to understand what is making them vulnerable and whether the right services are in place to ensure their needs are met.
- 6.35 With regard to reduced timetables, the Deputy Director Children and Families said they put more pressure on placements for children in care which can lead to placement breakdowns. Parents are not always aware that they can challenge reduced timetables which can put a huge strain on family dynamics. The Edge of Care service has been set up to work with adolescents where there are those kinds of issues to provide more support. There has also been training for social workers and early help workers to ensure they understand the PCC protocol and can challenge schools.
- 6.36 In terms of recommendations CSC would like included in the panel's report the Deputy Director Children and Families added that there needs to be a link between children missing school and completing the CSE risk assessment so they fully understand the implications of them not attending school.
- 6.37 The Service Leader added that there is a pan Hampshire group looking at the CSE toolkits and it would be helpful if they could get schools to participate in this to ensure that the toolkit is right for them and to understand why it is not working currently. The Admissions, Attendance, Exclusions & Reintegration Service Manager added that this could be due to time involved in completing the assessments. It should be the schools safeguarding lead completing the toolkits and they are responsible for making staff aware of the toolkit.
- 6.38 In response to a question, the Deputy Director Children and Families said that referrals into CSC always increase at the end of July, once the school summer holidays begin. The school pass on any concerns about children they are worried about so Children's Social Care can provide support. During the 6 week school summer holidays it is very important to talk to children in care about the next school term before they return to ensure that any issues with attendance are resolved before September. The Service Leader added that there are also issues with post 16 adolescents who are not in employment or training turning to risky behaviours.

6.39 The Head of Assessment and Intervention said some schools do not use reduced timetables and he would be interested to know what the schools who do not use them do instead to keep their children safe. He would be keen that a recommendation about the minimising the use of reduced timetables be included in the report.

Case study examples and learning from Portsmouth Youth Offending Team prepared by Sarah Reed, YOT Education Officer.

6.40 (1) Year 8 pupil subject to a Youth Rehabilitation Order

Child was home educated - he had 26 day exclusions whilst at primary and low attendance. YOT began the EHCP process with Mum during a period of Home Education in 2016 and this was continued when he started a new school in the same year. There was a prompt response at that school with an EP assessment. An EHCP was then issued and the child transferred to an alternative provision where again review of need prompted a further move to a different site provision where attendance is now at 69.3%.

6.41 (2) Year 9 pupil subject to a Referral Order

Child was placed in Portsmouth by an out of area LA. Child had little engagement with his school in his home LA, and this continued in Portsmouth. With the support of his YOT Case Manager, the child was encouraged to attend a Music Studio (Youth Provision); as this was highlighted as an interest. He had rarely left his home address, but this was something he really wanted to do. He engaged really well with the project and, with the help of his case YOT manager and the studio, his confidence increased. He is now engaging with his education provision and has chosen his options. He now presents as a confident young man, who engages well with all professionals.

6.42 (3) Year 10 pupil subject to a Referral Order

Child was on roll with SEND and EHCP but minimal attendance in Autumn 2017. He started reparation sessions with YOT in January 2018, building a bird box which he completed at the YOT Reparation Workshop. With a renewed self- belief from being able to learn something in a practical environment, he started attending school significantly more from March 2018.

6.43 (4) Year 10 pupil subject to a referral order

Child had been Home Educated for over a year. He wanted to return to original school but this was declined at LEA Panel. He was allocated an alternative school. This school was approached re: offering an off- site provision because he had committed an offence against a pupil at this school and felt threatened going to this school as a result. The allocated school invited family to go into school, but family did not attend. School were going to refer back to panel this did not occur and he remained as home educated status. Application to pre 16 colleges was supported and he has a place for September 2018 but has also applied to another provider in order to make an informed choice re: where he will attend year 11.

6.44 (5) Year 10 pupil completing a Youth Community Resolution.

Child had not attended any education for over two years. He was on roll but had not attended. YOT submitted his case to LEA panel to see if he could return to his original school which is what he wanted. After being notified that his original school would not permit his return, he accepted that he would need to go to the existing provider. They were happy to facilitate a pre-16 course at college and work experience as he lives a considerable distance from the school but he wanted to attend an actual school so has started on a reduced table there. The voice of young person was listened to, the team tried to re-apply to original school, but when this did not succeed the child had to acknowledge what was on offer and agreed the provision he would engage in.

6.45 **(6) Year 11 pupil subject to a Referral Order**

Child had not been attending provision since January 2017. He has an EHCP and stated that he felt scared attending school. The YOT and Early Help Team negotiated a curriculum that he could manage whilst checking that work was being sent home. A CAMHS assessment evidenced his anxiety and substantiated a change of provision to home tuition which he has engaged with since February 2018.

6.46 **(7) Year 11 subject to a Youth Rehabilitation Order**

Child was due to reduce to a part-time table from March 2018. This was not acceptable to mum or to YOT. School was challenged and work sent home and provision provided 1:1 in the library for 2 weeks prior to a full-time return to school.

6.47 Learning acquired from these cases:

- The longer young people are out of education the more support they require to establish confidence in their ability to return to school. This support may well consist of out of school activities with a professional.
- Parents are generally unaware that they do not have to accept part-time provision.
- Cases often arrive with YOT when there has been significant absence from school - in one case over two years. This could have been identified at an earlier stage and potentially could have prevented youth crime.
- The voice of the young person should be listened to and the LEA processes explained to them.
- Parental awareness of the LEA panel process and the expectation for their child to attend school should be reinforced but supporting practical hurdles like getting a bus pass, talking about time to buy school uniform, starting with a reduced timetable that does not commence too early in the day are factors that can support a successful reintegration into school.
- It is important to ensure schools are not encouraging challenging pupils to leave without officially excluding them which results in them being home educated as in case.
- Liaison with the LEA SEND team re: expectation of provision via annual review and starting the EHCP process.

- Additionally, the LEA panel process can be hindered by schools not completing paper work on time so a child is swiftly out of education by at least a month by which time a child is often displaying significant anxiety about returning to school. Anxiety is a significant hurdle to attendance.

Children in Care Council School Attendance feedback

6.48 The panel received written evidence from a Participation Officer at Portsmouth City Council who asked two questions to some of the members of the Children in Care Council (CiCC):

1. Can you advise of what support helped you in improving your attendance at school? (asked to care leavers and Looked After Children whose attendance had improved)

- Moving to live back with my Mum
- When I found out I could move out of Harbour into a normal school
- My friends helped me by supporting me
- Once I settled in with my new foster carers
- I found it really difficult to go back because I thought people would judge me for not being there for so long, but the teachers helped me a lot and when things got to hard I was able to go into a part of the school on my own and calm down. (ALNS Broadside)

6.49 **2. Looking back what could have helped you with your attendance in school? (Asked to Looked after Children and Care leavers whose attendance did not improve)**

- I was left at home because I caused too many problems in school, this put lots of pressure on me and my foster carer which made things much worse. I think if I still had to go to the school but maybe be on my own it would have made it easier.
- Staff in my residential unit should have been more strict because none of us where going to school so it was like no one cared.
- Sometimes I just had a bad day and I did not speak to anyone so when I had to go back to school I was scared. Maybe a sort of option to go to school but in a way you're not chucked back in.
- I really hated it when meetings were held about me in school and these made me cross, I would then get angry and shout and throw things. School should be a place where I can just be a normal person.

7. To investigate the reasons why parents are choosing to home educate their child and how their progress can be monitored and their safeguarding ensured.

Evidence from the Admissions, Attendance, Exclusions & Reintegration Service Manager

7.1 Elective home education is the term used by the Department for Education to describe parents' decisions to provide education for their children at home instead of sending them to school. The responsibility for a child's education rests with their parents. In England, education is compulsory, but school is not.

7.2 What are parents and the LA's responsibilities in relation to Elective Home Education?

Parents may decide to exercise their right to home educate their child from a very early age and so the child may not have been previously enrolled at school. They may also elect to home educate at any other stage up to the end of compulsory school age. Parents are not required to register or seek approval from the local authority to educate their children at home. Local authorities have a statutory duty under section 436A of the Education Act 1996, inserted by the Education and Inspections Act 2006, to make arrangements to enable them to establish the identities, so far as it is possible to do so, of children in their area who are not receiving a suitable education. The duty applies in relation to children of compulsory school age who are not on a school roll, and who are not receiving a suitable education otherwise than being at school.

7.3 Numbers

Academic Year	2010/1 1	2011/1 2	2012/1 3	2013/1 4	2014/1 5	2015/1 6	2016/1 7
Number of Pupils who have at some point been registered as Electively Home Educated at some point within the academic year	101	139	143	191	205	221	256

Current Snapshot (Feb 2018)

Year Group	R	1	2	3	4	5	6	7	8	9	10	11	12
Total	4	11	9	9	12	10	10	9	14	17	21	34	1

EHA	Total	Count of Stud ID							
NO	138	CIN	Total	SEN	Total	Gender	Total		
YES	23	NO	151	School Action	3	F	71		
Grand Total	161	YES	10	Education Health and Care Plan	3	M	90		
		Grand Total	161	SEN Support	31	Grand Total	161		
				No Identified SEN	91				
				School Action Plus	3				
				Statement	1				
				No SEN coding	29				
				Grand Total	161				

7.4 Of the current local cohort (February 2018)

- 5% parents want to meet at an alternative venue to the home
- 26% parent have a home visit
- 11% parents submit reports
- 42% parents do not wish any meetings/send reports/respond to letters
- 14% parents have yet to respond

- 2% SEND

- 7.5 An article on home schooling in *The Guardian* on 12 April 2016 stated that: "...freedom of information responses provided to Education Guardian indicate numbers are rising. Responses from 134 of England's 153 local education authorities list 30,298 children as receiving home education in 2014-15. Of these, 13,007 are of primary age, and 17,291 of them are between 11 and 16.
- 7.6 Among 103 authorities that provided data back to 2011-12, the number of primary-age children recorded as home educated rose by 60% in the three academic years to 2014-15. In the secondary phase, the increase was 37%. About 85% of local authorities documented a rise in home education over those three years, with 27 authorities reporting a doubling of numbers.
- 7.7 This may be part of a longer trend. In December 2017, the BBC reported home education numbers had risen 65% across England and Wales in the six years to 2014-15, while in 2007, Channel 4 news documented a 61% increase in home educated children in the five years from 2002"
- 7.8 Portsmouth has a clear policy around Elective Home Education (EHE) that endeavours to be as robust as current guidance allows and makes explicit to parents the responsibilities they are taking on in electing to educate at home. A recent report to the PSCB shows the trend data and a breakdown of the reasons that parents choose this option. There are currently 139 pupils who are registered with the LA as electively home educating.
- 7.9 The Panel heard from the Director of Children, Families and Education about the home education (Duty of Local Authorities) bill currently being debated by Parliament. The bill is to make provision for local authorities to monitor the educational, physical and emotional development of children receiving elective home education. The Portsmouth Education Partnership's view on the private members bill on elective home education was that the local authority should have that right and duty to ensure effective safeguarding of EHE children and also to the introduction of a compulsory register of EHE children.

Feedback from Portsmouth Parent Voice Workshops (written evidence)

- 7.10 Portsmouth Parent Voice (PPV) is a parent carer forum and were contacted to see if they could assist the panel with talking some parents who electively home educate. PPV collected some comments from home education workshops around home education which were shared with the panel. This can be read in appendix 4 to the report.
- 7.11 During some of the school visits, home education was discussed. The headteacher of Admiral Lord Nelson School gave a couple of recent examples. They had one pupil struggling with behaviour who the school were succeeding with, however the parent made the decision to remove them from school as their experience was too negative and educate them at home. An example was also given where a parent removed their child from school however after a short amount of time asked for their child to return to school as they found it more difficult to teach due to the diversity of the subjects. Some parents do not know exactly what it means to home educate and

their attendance officer will always explain the options available to them if a child is struggling at school.

7.12 The Headteacher of Harbour School said that they get a number of young people that have previously been home educated who then come back through the inclusion support panel as their parents have not been able to home educate them.

7.13 The Panel received evidence from two parents at one of their meetings, who choose to home educate their children. They also received three other written statements from parents who home educate.

Mrs A, EHE parent

7.14 Ms A is parent who has been home educating her two children for the last eight years. One of her sons was diagnosed with Aspergers however he was not diagnosed immediately. He is a very bright child who started reading aged two and when he started at school he was reading books from the junior school as there was nothing at infant level that would challenge him. He attended Willows which is a special nursery and he was very happy there as they understood his needs. When he started at school however Mrs A felt there was no support from the school although they had tried and there are a lot of things for the school to manage. She explained that for a child with Aspergers the school environment can be very loud and hectic, especially having 30 children in a classroom. The teachers were not able to give him the support required. Mrs A was told they were waiting for staff training on the Makaton system which her child and another in his class were due to use. As Mrs A's Son was verbal and his friend was not, her son became a translator for him.

7.15 Mrs A went on to explain that her son attended school for five weeks part time and begged her not to go back. He was trying his best to hold it together whilst at school but was very upset at home. When they spoke to his teacher, their assumption was that there was a problem at home as he 'seemed fine whilst at school', which was very frustrating. This is something Mrs A hears often from other parents choosing to remove their child from school. Mrs A therefore made the decision to remove him from school and home educate him and it took him a year to get back to his normal, happy self. Her son is now 13 years old and has no desire to go to school and when asked whether he would prefer to be at school he replies 'why would I want to?' Her son would like to take GCSEs however he wants to do GCSEs that are not available in school such as Law. Her reasons for continuing home education are now more ideological.

7.16 Mrs A felt that better communication between the LA and the home education community was needed. She explained that EHE parents receive letters from the LA Attendance Service which immediately makes these parents angry as they have chosen not to send their child to school - there is not an issue with attendance. She said the LA would get a better response from EHE parents by simply sending these letters out on different headed paper so they do not feel they are being treated the same as parents who do not send their child to school. She felt this would create a much better response. The EHE parents had asked Portsmouth City Council to add details of the EHE groups on the website, however they said they could not as the groups had not been CRB checked, however most other LAs do this. This would give the children and parents the opportunity to socialise with other home educating

families and would mean the children are seen by other adults within the group.

7.17 It was very difficult to describe an average day of home educating as it depends on a number of things such as their child's interests. Activities they undertake include swimming lessons, trampolining and attending STEM group (science, technology, engineering and maths) once a week. It was sometimes dependent on the weather, for example if it was a sunny day they will go out exploring. One EHE parent's day would be completely different to another. Some EHE parents have a strict timetable so their children are learning from 9am until 3pm and some choose to teach in accordance with school term times. Some bring tutors in to teach their children. Other home educators choose to completely step out of timetabling structure and every day is completely different depending on events and activities and their child's interests. Home educated children meet up regularly during the week.

7.18 In terms of support for GCSEs, Mrs A explained there is lots of support from the home education community but none from PCC and EHE parents must pay for exams themselves. Hampshire County Council is known to be one of the best LAs for supporting EHE parents and they provide funding for each child to take up to five GCSEs. Fareham and Gosport home education group have an exam centre and can assess a child to see if they require extra time to complete exams if they have a SEND. EHE parents will often get a group of people together and pay for a private tutor.

7.19 Mrs A said it would help if the LA does not send letter from attendance team as it immediately frustrates EHE parents as their children are not missing school. Attendance officers have little understanding on how home education works and will ask EHE children if they want to start school 'like normal children'. Some attendance officers are better than others. EHE parents would like better communication with the LA.

Mrs B, EHE parent

7.20 Mrs B had home educated her children until the age of 16 and the children had never attended school. She never informed the LA as there is no legal obligation to do so. PCC later found out though through consent forms for her child to perform in a show. She received a call from an officer asking why their child was not on their books. She accepted an attendance officer visit however the first one was very damaging. They came in with the attitude 'wouldn't you rather be in school?' This upset her son as he felt he had been doing something wrong and was very inappropriate. Future visits were from a different attendance officer who had a completely different attitude and had acknowledged their choice to home educate. Visits were really positive as she was interested to see what her child had been doing, and this really helped. Her son used the sessions to show what he had learned and was proud to do so. Mrs B thought that if more of the attendance officers took this approach this would make a huge difference in the relationship with EHE parents and the LA. Some EHE parents are reluctant to let the LA in as they do not want comments about their house for example, as this has nothing to do with their child's education. Mrs A added that pushing to meet children straight away if they have come out of school can also be damaging as the child may have been so damaged from school they are frightened that they will be made to go back to school.

7.21 EHE children mix with other EHE children regularly and it is a common misconception that they do not socialise. There is a huge EHE community with many organised activities they can attend. Parents also regularly meet and socialise. They are always meeting new children as there are always new children coming out of school to be home educated. EHE children also mix with children of different ages. Mrs A explained that her son mixes with older children academically and then children his own age socially. There is also more interaction with adults and the older children are very protective of the younger ones. There is less division between girls and boys playing together. Mrs A also explained that her children socialise with children who attend school through after school clubs such as Taekwondo and Scouts.

7.22 With regard to the LGA Policy around setting up a national register for home educated children to keep track of numbers, Mrs B said that there is still a lot of hostility between the LA and EHE so many parents would not want to be added to this list. She personally would not mind being registered but other EHE parents have had negative experiences so would not welcome that. Mrs A said that she would not want to be included on the register and if/ when they move house she would not inform the LA of their new address. Mrs A said many parents would be worried that once they have their names what would happen next. Mrs A added that they advise EHE parents not to ignore letters received from the LA but to keep the LA at arm's length. Mrs B added that her son had picked up on the negative experience with the first attendance officer and was terrified that he would be taken away into care if he was not performing well. The two EHE parents said it was difficult for them to represent all EHE parents. Some EHE parents will never want to engage with the LA whereas some parents would be willing to engage if the experience was much more positive.

7.23 Bullying of older children is becoming more of a reason for parents to remove their children from school, for younger children it is often due to a child having a SEN. Many parents have said they tried their hardest to keep their child in school but they have felt their child has been neglected and the situation is getting worse.

Written evidence received from parents

7.24 The panel also received three written statements from parents who home educate their children. All three had chosen to home educate their children through choice and their belief that this was the best option for them. One parent said 'as the law in the UK currently states it is my responsibility as their parent to delegate their education either to a school or provide it myself. This remains a right enshrined in law and is something I feel very passionate about'

7.25 Each of the parents felt frustrated that EHE is seen by the LA to be linked to school attendance. Although they understood the concerns regarding the level of education at home and the safeguarding of children, they felt these concerns are due to a lack of understanding and fear on behalf of the authorities who do not positively engage with the home education community. One of the EHE parents who works as a paediatric nurse explained that she is not naive to concerns and in her role as nurse meets more school age children with significant safeguarding and mental health issues than she has in the home education community.

How to improve the relationship between EHE parents and the LA

- 7.26 The two EHE parents who gave verbal evidence felt that training of attendance officers may help. If officers were all much more positive and understood EHE this would make a huge difference in improving relationships. Members of the panel noted that the biggest issue is that there is suspicion on both sides. Home educating parents think the LA does not understand home education and from the Council's perspective they need to ensure that home educated children are adequately safeguarded, as two thirds of EHE are not known to the LA. Until the barriers of them and us situation are broken down, no progress will be made so the LA needs to bridge these barriers and compromises are needed on both sides. The panel noted that every child learns in a very different way, whether it be in schools or EHE; it is about finding the best way of learning for each child and that may not be in a school. Mrs A added that it would be great for EHE parents and the LA to have a positive meeting. They can go back to the online EHE community to say they have had a really positive experience this will help break down barriers. Mrs A added that Hampshire has a very good relationship with their EHE parents, as do Cambridgeshire, Sunderland and South Wiltshire so suggested that the panel may wish to look at what these LAs do. It was noted that the LA needs to undertake more sharing of information.
- 7.27 When asked what they felt could be done to improve the situation for the EHE community if funding was available, Mrs A said training to ensure people understood EHE and the reasons parent chose to do this e.g. if their child has a SEND. Financial help towards GCSEs would also be welcomed that other councils provide, as would help towards music lessons. Also help towards a venue, such as a hall that has storage space to store educational materials, where they can hold different activities. Currently parents must pay for this themselves. This would help as all different home educators could use this space and all share the educational materials.
- 7.28 A further suggestion made by the two EHE parents was that Council owned attractions such as Staunton Country Park, introduce an 'EHE parent goes free' ticket that would really help. In addition she said that most swimming pools in the city will not let children in during school hours so asked if this could be reviewed.

Evidence from the Admissions, Attendance, Exclusions and Reintegration Manager

- 7.29 With regard to the remit of the LA in terms of EHE, the Admissions, Attendance, Exclusions and Reintegration Manager explained that when a LA is asked to judge what is suitable education, broadly they are asked to measure this in the same way across the board e.g. whether it is a suitable age, aptitude and ability, but with home education the LA are not given authority to look at progress over time and judge in the same ways as schools, as it is a different type of curriculum. Ultimately it is key that children are thriving and doing what they want to be doing. There are stories around the country where parents are home educating their children but the child would much rather be in school. On the other hand some excellent home educator stories have been heard from EHE parents.

8 Equalities Impact Assessment.

A preliminary Equalities Impact Assessment has been completed and is attached as appendix 5 to the report. A full EIA is not required as no specific information regarding protected characteristics was gathered and the scrutiny panel's role is to make recommendations to the Cabinet. If the Cabinet decides to implement the recommendations, individual EIAs would be carried out.

10 Legal Implications.

10.1 The legal basis for comment is contained within the body of the report- there is no need for legal comment of a specific nature.

11 Finance Comments.

11.1 The financial implications of the recommendations set out on page 6 potentially will be spread across a number of departments and agencies. It is not possible to comment on the implications to external agencies, and the following comments concentrate on the impact on Children's Services (Education and Children's Social care) and Schools.

11.2. The recommendations do not indicate that there is any immediate impact on the current financial resources of either the Education or Children and Families budgets. It is anticipated that existing resource budget provision will be sufficient to meet the requirements and, should any additional support be required in a specific area, it is expected that this will be met through the redirection of current resources.

11.3. Funding for schools is provided through the Dedicated Schools Grant (DSG) under the School and Early Years Finance (England) regulations which, whilst it restricts how funding can be provided to schools and to support children with special educational needs and disabilities (SEND), once schools have received the funding, they have local flexibility regarding their spending decisions. Schools will need to consider the costs associated with the recommendations of the report along with the other financial pressures that they are managing.

11.4. The DSG funding received by the authority is based on the number of pupils on the October school census, and therefore will not include pupils not registered at a maintained or academy school. Therefore no funding is available through the DSG for pupils in receipt of Elective Home Education.

11.5. Whilst the authority has seen a small increase in the DSG funding for SEND in 2018-19, the increase in demand and subsequent costs has exceeded the grant and continues to be a pressure that is constantly being managed by the Inclusion Manager within the Education department.

11.6. Schools also receive funding through the use of the pupil premium grant to provide support to pupils who are either looked after, in receipt of free school meals or a service child. The school has the flexibility to use the grant for the "educational benefit of pupils registered at the school" and the report has demonstrated some of the flexible use of the grant to support attendance.

Appendices:

Appendix 1 - List of meetings, witnesses and documents received

Appendix 2 - Glossary

Appendix 3 - Early Help and Prevention Service Chronic Non-attendance flowchart

Appendix 4 - Feedback from Portsmouth Parent Voice on Elective Home Education

Appendix 5 - Preliminary Equalities Impact Assessment

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
BBC News online Article: Rising numbers of pupils home educated 21 December 2015	http://www.bbc.co.uk/news/education-35133119
Channel 4 News article online: UK home-school cases soar	http://www.channel4.com/news/articles/society/education

12 BUDGETARY AND POLICY IMPLICATIONS.

The following table highlights the budgetary and policy implications of the recommendations being presented by the Panel:

Recommendation	Action by	Policy Framework	Resource Implications
1. That the Council's attendance campaign is endorsed and officers consider a segmented marketing strategy tailored for different groups of parents. The Council should also include in its literature that it is parents' legal responsibility to ensure their child attends school.	Director of Children, Families and Education	This recommendation is entirely consistent with the current policy framework.	The costs of the attendance campaign about to be launched are being met through corporate communications.
2. That good practice taking place in schools should be shared through the Portsmouth Education Partnership website and this be used as a mechanism to pair good and poor performing schools with each other to share expertise across the city.	Director of Children, Families and Education PEP Chair	This is consistent with current use of the PEP website and PEP approaches to mutual support.	Beyond the website information, where less well performing schools seek advice from better performing schools on attendance any funding required will generally be for the receiving school to consider.
3. That practical ways to keep children in school should be used such as using minibuses to collect children not in school and schools be encouraged to consider this. The authority should also encourage businesses/partners to actively challenge any children they see out of school during the school day in term time.	Director of Children, Families and Education	The second part of this is consistent with the Council's overall approach to contextual safeguarding. Given the resourcing implications of sending out minibuses, that option will need to be for schools to consider.	It should be possible to accommodate within existing budgets (departmental or Safeguarding Board) the costs of encouraging businesses to ask questions about children not attending school.
4. That the current review of alternative provision through the Portsmouth Education Partnership should explore how schools can keep children and young people	Director of Children, Families and Education	This is entirely consistent with existing policy.	The administrative capacity of the education service has been

Recommendation	Action by	Policy Framework	Resource Implications
engaged so that reduced timetables are only used when it is in the best interest of the child in exceptional circumstances, as this presents an increased risk to the child. Parents/carers should also be made aware that they do not have to accept a reduced timetable for their child. The panel supported the rigorous challenge provided by the department to schools around the use of reduced timetables.	PEP Chair		increased slightly to facilitate rigorous challenge to schools.
5. That if alternative provision is necessary schools must ensure that there is meaningful educational provision, ideally on the school site. The number of children on reduced timetables should continue to be monitored and challenged by the local authority	Director of Children, Families and Education	It is currently for schools to consider what if any alternative provision they need to make available on site. Monitoring and challenge of reduced timetables is already departmental practice.	For schools on alternative provision. On reduced timetable monitoring see comment above on additional admin resource.
6. That the Council strongly support the line taken by the Portsmouth Education Partnership on the private members bill on elective home education that the local authority should have that right and duty to ensure effective safeguarding of EHE children and also to the introduction of a compulsory register of EHE children	Director of Children, Families and Education	Consistent with the departmental policy position.	If local authorities are given new responsibilities there would be a "new burdens" assessment in relation to funding for those responsibilities.
7. That the Council continues to help promote community projects or non-curriculum courses that look to raise the aspirations of children and encourage them to attend school	Director of Children, Families and Education	PCC does not currently promote or provide specific community programmes.	There is no funding within the Education Department to resource or promote community activities outside school.
8. That the Council note and support and rigorous action which the department is taking to challenge schools who have a relatively high number of pupils who have been	Director of Children, Families and Education	This is consistent with current policy.	Activity is covered by the current departmental budget.

Recommendation	Action by	Policy Framework	Resource Implications
taken off roll to be electively home educated, and to make sure that parents are making a genuine choice			
9. That the Council note the context of people choosing to electively home educate for ideological reasons and should positively engage with these parents. However it was noted that some parents are choosing this option as they are not satisfied with the SEND provision provided in school. The panel noted the funding pressures in meeting SEND provision in schools and believe that schools are doing their best to offer a broad range of provision for children. The Council should support representations being made to government about the high needs area	Director of Children, Families and Education	PCC has contributed to national surveys about pressures on the High Needs block funding.	There are challenges in making necessary provision within the currently allocated High Needs block funding, hence our participation in surveys designed to highlight those challenges.

Meeting Date	Witnesses	Documents Received.
3 November 2017	Alison Jeffery, Director of Children, Families and Education	Draft Scoping Document School Attendance Overview report with the following appendices: <ul style="list-style-type: none"> • Portsmouth Attendance Strategy • Percentage ranking of on track persistent absentees by each half term 2016-17 • PCC guidance on the use of reduced timetables • Reduced timetables report to PSCB • Appendix 5 - Children missing Education report to PSCB • Appendix 6 - PCC guidance on elective home education • Appendix 7 - Elective home education - guidance for local authorities • PCC elective home education frequently asked questions • Appendix 9 - Elective home education report to PSCB
December 2017 and January 2018	Member meetings with Flying Bull Academy, Victory Primary, St Edmunds, Admiral Lord Nelson & The Harbour School Headteachers	
12 January 2018	Feedback on members meeting with headteachers Anthony Harper, (Early Help and Prevention Locality Manager (South) & Early Years and Childcare Manager)	Presentation on a proposed targeted approach to chronic non-attendance. Feedback received from Portsmouth Parent Voice on Elective Home Education.
16 February 2018	2 EHE parents Neil Stevenson, Admissions, Attendance, Exclusions & Reintegration Service Manager	Prosecutions Outcome Report 2015-16 Education Penalty Notices Report 2015-16
13 July	Maggie Blyth, District	Children in Care Council School

2018	Commander for Portsmouth, Hampshire Constabulary Julian Wadsworth, Active Communities Network Sarah Newman, Deputy Director Children's Services, PCC Jude Findlay, Service Leader, PCC Adam Shepherd, Head of Assessment and Intervention, PCC	Attendance feedback Case study examples and learning from Portsmouth Youth Offending Team prepared by Sarah Reed, YOT Education Officer.
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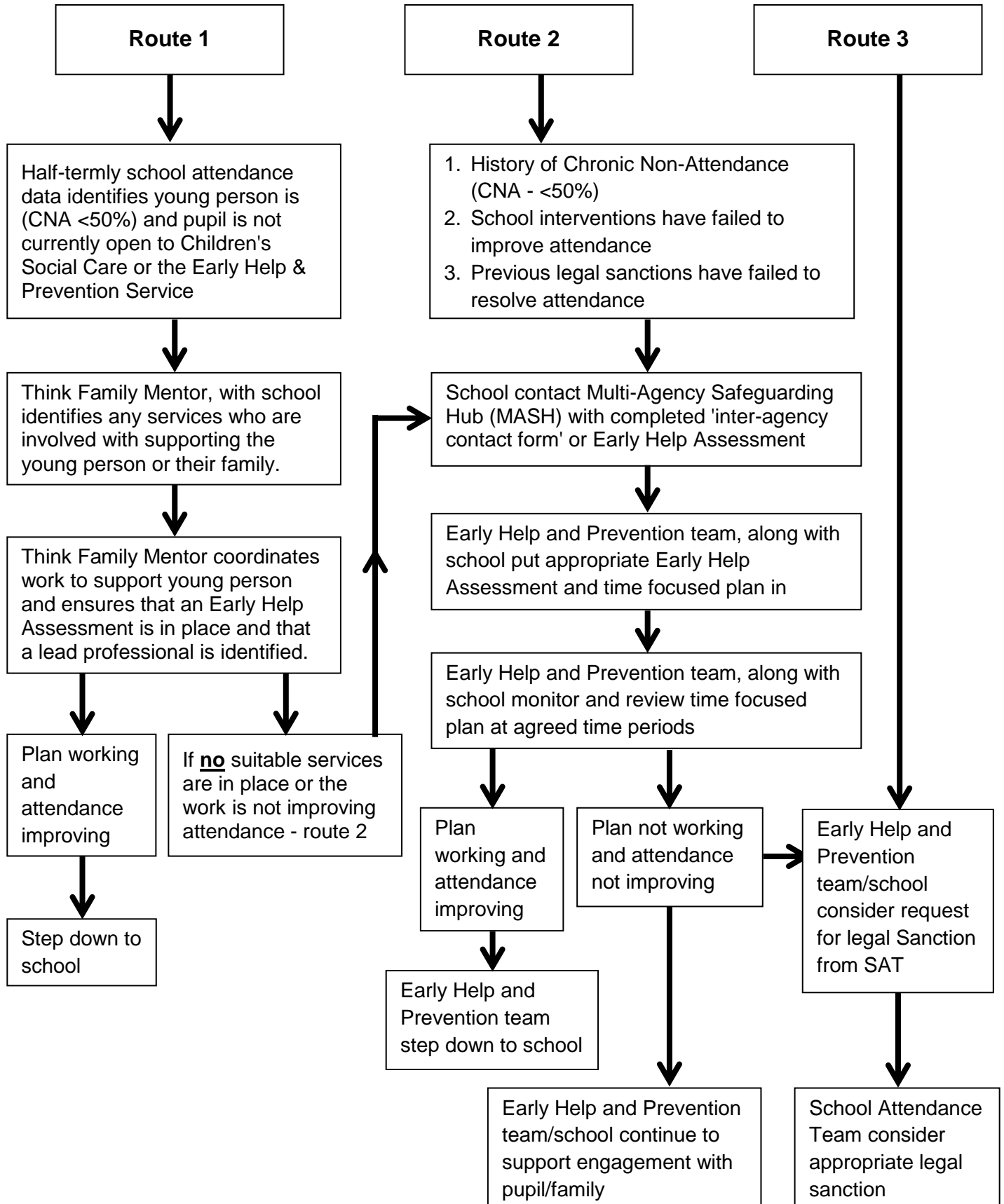
APPENDIX TWO

GLOSSARY

BAG	Behaviour and Attendance Group
CNA	Chronic Non Attenders
CAMHS	Child and Adult Mental Health Services
CCE	Child Criminal Exploitation
CSC	Children's Social Care
CSE	Child Sexual Exploitation
ECHP	Education Health and Care Plan
EHE	Elective Home Education
LA	Local Authority
MASH	Multi Agency Safeguarding Hub
MET	Missing Exploited and Trafficked
SEND	Special Educational Needs and Disability
SEMH	Social Emotional Mental Health
PA	Persistent Absentees
PPV	Portsmouth Parent Voice
PSCB	Portsmouth Safeguarding Children Board



Pupil attendance is irregular to a degree of less than 50%; legal threshold met



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Feedback from Portsmouth Parent Voice workshops on Elective Home Education

- 1.1 In March 2017 PPV held a home education workshop that was attended by 19 people. There were a mixture of parents: those considering home education, those who had just started home educating and those who were experienced home educators. 80% of the attendees knew about the local offer website. The majority of parents had children with anxiety issues and autism spectrum disorder (ASD).

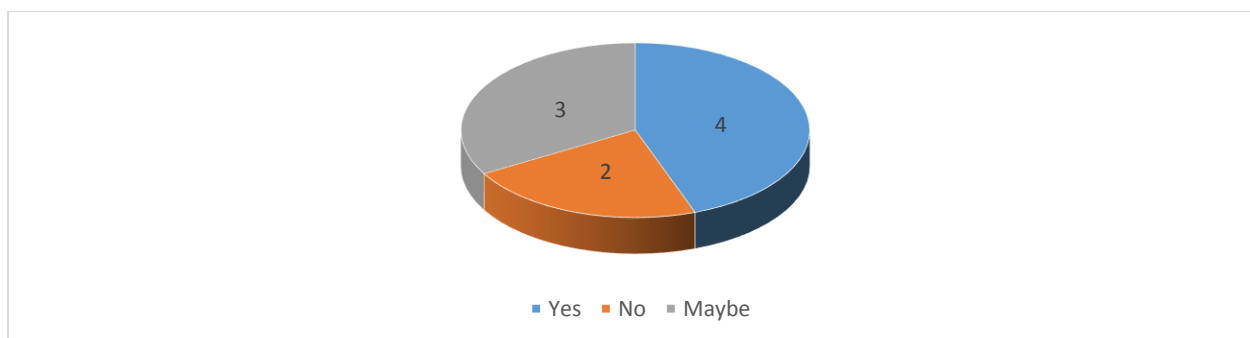
Main comments:

- Parents valued the opportunity to find out about support and information. A few have since joined Home education groups in the city.
 - Parents felt they had to home educate due to lack of provision, difficulties getting the school to help, children who were excluded or on part-time timetable, difficulties in getting an EHCP.
 - Parents were looking for funding for tutoring.
 - They also reported how better life was without the stress of having to deal with a difficult school/SENCO. Although hard work, some said it was the best decision they ever made.
 - Parents would like clarity around exams centres for older children.
 - Until school environment is addressed, children with sensory issues won't be able to access mainstream education.
 - Since unable to get help from CAMHS or school, easier to educate at home. Feeling abandoned.
 - Local schools are not appropriate for all children.
- 1.2 The Home Education Update session took place on a Saturday morning, and was a follow-up to the Home Education Workshop in March. The session was attended by 12 parents with varying experiences and/or interest in home education. Nine completed a feedback form, the results of which are:

1). Why did you choose to home educate (lack of support in school, anxiety issues...)?

- Lack of school support / understanding / adapt to SEN needs
- Increased bullying, anxiety, stress, self-harm, insomnia
- Failure of mainstream school to meet needs
- Refused a statement
- No suitable schools
- Pressure from assessments / targets
- No choice / no other option

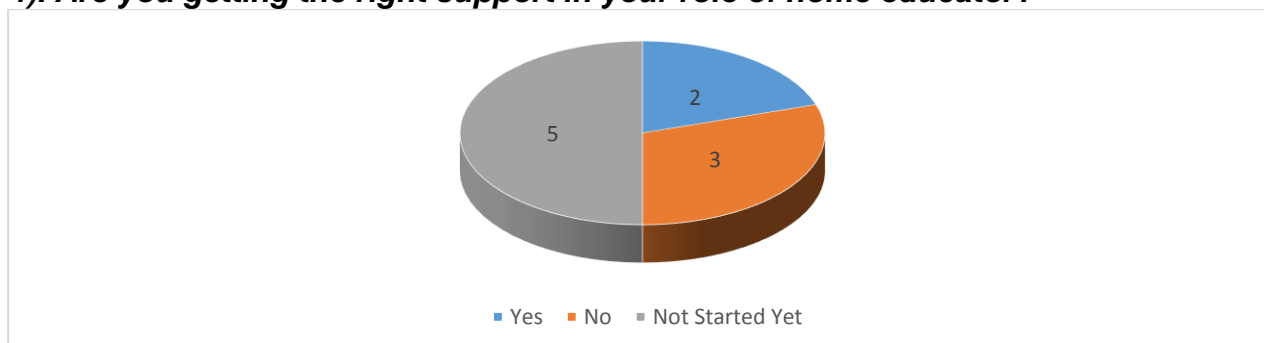
2). Would you consider for your child to return to school if the right help and support was in place?



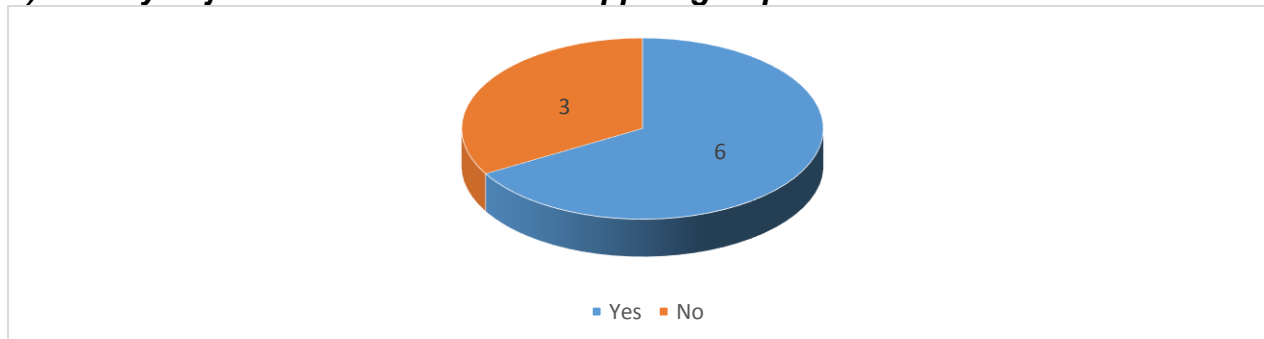
3). What would the ideal provision be for your child's needs to be met?

- The environment (x 2)
- Being around children with similar needs (x 2)
- Qualified teachers (x3)
- SEN school
- Somewhere that sees my child as an individual (x2)
- Adapted curriculum (x2)
- Smaller class size (x3)
- Understanding my child's needs
- Budgets to help with resources
- Active learning
- Allow to use computer, don't force to write (x2)
- 1:1 support
- Schools to listen to parents

4). Are you getting the right support in your role of home educator?



5). Have you joined home education support groups since we last met?



6). What help do you feel you need (financial, support...) to enable you and your child on a daily basis?

- Financial support / funding (x 5)
- Support groups

- Social acceptance (x2)
- Not feeling over looked

7). Any other comments?

- Home education is the best thing I've done for my child
- Need more information about teaching at GCSE level (x2)
- The home education network in Portsmouth is fantastic
- Thank you!

- 1.3 It was noted that one of the main reasons parents had chosen to home educate was due to dissatisfaction with the current offer and their perceived difficulties with SEN pupils getting an EHCP. On the whole (from those that fed back), the choice to home educate was not driven by ideology or a positive desire for a specific home based education but by anxiety about the current school offer. Members noted that another reason parents choose to home educate is as an interim approach, if they cannot get their child a place in a preferred school.

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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:

Community & communication

Service, function:

Democratic Services

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

Education, Children and Young People Scrutiny Review into School Attendance and Reduced Timetables in Portsmouth.

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?

The objectives of the scrutiny review were:

- (1) To understand the main reasons for school absence and review the Council's strategy to improve school attendance,
- (2) To explore the use of reduced timetables, how children on reduced timetables are supported to resume full time attendance as early as possible and consider how to minimise the use of reduced timetables,
- (3) To investigate where we have good practice and where there is scope for improvement in relation to ensuring children attend school. Particular focus shall be given to vulnerable children, children with SEND, persistent absentees, those on reduced timetables and elective home education.
- (4) To review arrangements for ensuring that where children and young people are out of school for significant periods through reduced timetables or poor attendance, there is good multi agency risk assessment and action where necessary to reduce their vulnerability to exploitation.
- (5) To investigate the reasons why parents are choosing to home educate their child and how their progress can be monitored and their safeguarding ensured.

The recommendations arising from the review will be considered by Cabinet.

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

The ECYP Scrutiny Panel undertook a review into school attendance and reduced timetables in Portsmouth. The ECYP Scrutiny Panel's recommendations seek to improve school attendance rates for young people in the city and also improve the relationship between the local authority and parents who choose to home educate their children.

During the review the panel received evidence from headteachers, parents, voluntary sector groups, Hampshire police and children's services to understand the impact that children missing school has on safeguarding, criminality and the future of the city's young people. Feedback from young people who had previously not attended school was also received as well as some case study examples from the youth offending team manager.

This helped the panel to formulate their conclusions and recommendations.

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 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 and 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"/>

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?

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 checked="" type="checkbox"/>	<input 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 or 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"/>

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	The panel received some written evidence from some young people who are part of the children in care council (CiCC) and some case study examples of some young people who the Youth Offending Team have been working with. This was both positive and negative of the local authority processes and support.
Disability	none
Race	none
Sex	none
Gender reassignment	none
Sexual orientation	none
Religion or belief	none
Pregnancy and maternity	none
Marriage & civil partnership	none
Other excluded groups	none

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 ECYP Scrutiny Panel's recommendations do not have any negative impact on any of the protected characteristics and are intended to improve school attendance for young people to improve their outcomes and minimise their risk to exploitation if they are not attending school.

The panel consulted with officers within education and children's social care, headteachers, parents of

electively home educated children, and received case study examples from the Portsmouth YOT and feedback from the Children in Care Council (CiCC)

If the scheme/actions within the report's recommendations are taken forward individual EIAs may need to be completed.

Q8 - Who was involved in the EIA?

Lisa Gallacher, Local Democracy Officer

This EIA has been approved by: Vicki Plytas

Contact number: 9283 4058

Date: 9/10/2018

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 5



Portsmouth
CITY COUNCIL

Agenda item:

Title of meeting:	Cabinet
Date of meeting:	5 th February
Subject:	Health and Care Portsmouth Operating Model
Report From:	Chief Executive
Report by:	Innes Richens, Chief of Health and Care Portsmouth and Kelly Nash, Corporate Performance Manager
Wards affected:	All
Key decision:	No
Full Council decision:	No

1. Purpose of report

- 1.1 Portsmouth City Council (PCC) and NHS Portsmouth Clinical Commissioning Group (PCCG) have a long history of successful integrated working across health and care for the City. This is demonstrated through its single vision and blueprint of 'Health and Care Portsmouth' (HCP) and is underpinned by shared teams and posts as well as pooled funds utilising legislative measures such as section 75 and section 113 agreements.
- 1.2 This paper reviews the operating model in place between the two organisations in the context of the broader Hampshire and Isle of Wight Health & Care system reform programme and the desire to have a strong care system for the City and makes recommendations for the next steps for consideration by our Health and Well Being Board and the Governing Board of PCCG.

2 Recommendations

2.1 The Cabinet is recommended to:

- i. Support the establishment of a single operating model for Health & Care Portsmouth between PCC and CCG
- ii. Support the establishment of a sub-board on behalf of PCC and PCCG for its commissioning of adult and children's health, social care and public health

services, with detail of this proposal to be addressed in a separate report to Governance, Audit and Standards Committee in March.

- iii. Support the integration of PCCG and PCC functions into joint roles: Chief of Health & Care Portsmouth, Director of Children’s Services and Director of Public Health; and a review of other enabling functions to assess the benefits of further integration to support delivery of the Health & Care Portsmouth operating model – specifically financial management, business intelligence, communications/engagement, community sector partnership development
- iv. Direct the respective Accountable/Chief Executive Officers, working within their scheme of delegations and constitutional powers, review the management and staffing structures currently in place in order to align this capacity with the new Health & Care Portsmouth operating model and for this to include cost-share arrangement

3 Background

3.1 Both PCC and PCCG have a clear focus on improving the health and life experiences of the people of Portsmouth City whilst recognising that in order to do this they will continue to work as part of wider care partnerships and systems. The Hampshire and Isle of Wight Sustainability and Transformation Programme (STP) - a collaboration between health and care partners - envisages providers, commissioners and local authorities working collaboratively with residents and the voluntary and community sector to provide a range of services at various levels best articulated as:

<p style="text-align: center;">Clusters</p> <p>Natural communities of 20-200,000 people</p>	<ul style="list-style-type: none"> • The foundations of the reformed system • Strengthening primary care • Delivering integrated mental and physical health, care and wider services to cluster populations • City wide approach to clusters, aligned to ‘natural communities’ for appropriate services and care • Proactively managing the population health needs
<p style="text-align: center;">Place based planning</p> <p>Aligned to existing Health and Well-Being (local authority) footprints</p>	<ul style="list-style-type: none"> • Integrate local authority and NHS planning and delivery • Aligned to Health and Well-Being (local authority) footprints • Health & Local Authority aligned commissioning resource & agreed local leadership/management models. • Basis of the Joint Strategic Needs Assessment (JSNA), means through which Health and Well-Being Boards exert tangible influence on the direction of health and care services for the population through health and commissioning and wider determinants of health • Direct and drive Cluster development, ensure consistency of practice, reduce unwarranted variation
<p style="text-align: center;">Integrated Care Partnership</p> <p>Based on c600k populations served by acute partners</p>	<ul style="list-style-type: none"> • Support the vertical alignment of care enabling the optimisation of acute physical and mental health services • Design and implement optimal care pathways • Support improved operational, quality and financial delivery

Hampshire and Isle of Wight System
2 million population

- System strategy and planning
- Implementing strategic change across multiple integrated care partnership footprints/places
- Alignment of strategic health and Local Authority commissioning
- Provider alliances (acute physical and mental health)
- Oversight of performance and single system interface with regulators

3.2 There is a strong history of working within Portsmouth at a neighbourhood or 'cluster' level, recognising that this is where residents often access the majority of their health, care and community support. Many of the city's health & care services are configured to deliver within three localities within the city, supporting strong connections with other local services. In this respect, the direction emerging from the Sustainability & Transformation Programme aligns well with the approach in Portsmouth and, as such, PCCG and PCC are able to engage and operate at all of these levels. PCCG and PCC have an ambition to do so with a single voice for the City by establishing a single operating model across the two organisations.

4. Our current arrangements

4.1 PCC and PCCG deliver many of its health and care planning, prioritisation and commissioning responsibilities in an integrated manner through a range of mechanisms including:

- Portsmouth Health and Well-being Board providing politically accountable, multi-agency strategic governance
- A single vision and blueprint for 'Health & Care Portsmouth' with an underpinning executive and work programmes
- Health & Care Portsmouth Executive Group, providing senior officer input across NHS, public health, adults and children's services and community safety
- Integrated commissioning team (Health & Care Portsmouth Commissioning Services (HPCPS)) with shared people, single planning and programmes and pooled resources
- An integrated Better Care Fund (BCF) and programme which pools resources far beyond the minimum national requirement
- A Better Care Fund and Health & Care Portsmouth Commissioning Service partnership management group to oversee the above
- A single shared continuing health care team for adults with shared people, one process and pooled resources with an overarching partnership management group
- Delivery of a number of enabling and supporting functions by PCC to PCCG including: HR, workforce, learning & development, health and safety, landlord and facilities, complaints, freedom of information and engagement activities

- Integrated executive leadership through the appointment of a shared Chief of Health & Care Portsmouth who oversees the care systems working for the City and manages adult social care alongside PCCG commissioning responsibilities

4.2 All these arrangements are underpinned by Section 75, Section 113 agreements and other appropriate governance. In addition PCC is integrated with Solent NHS Trust in the provision of a number of shared community services and teams, such as adult mental health and learning disabilities

4.3 PCC also provides some services to other Local Authority partners including Gosport and the Isle of Wight, and has some shared arrangements with Southampton City Council and Hampshire County Council.

4.4 PCCG works in a commissioning partnership with NHS Fareham and Gosport CCG and NHS South Eastern Hampshire CCG focused predominately on shared approaches to the hospital interface. This is part of the Integrated Care Partnership (ICP) for Portsmouth and South East Hampshire (PSEH) which includes other NHS providers delivering health services for people in that geography. Both Portsmouth City Council and Hampshire County Council are members of this Integrated Care Partnership. The three CCGs also share shared teams for the delivery of performance, planning, finance, communications and Emergency Planning Response & Resilience (EPRR) functions.

4.5 Across the Hampshire & Isle of Wight region all NHS and Local Authority partners are considering how their operating model will need to change to further promote integrated delivery of services for their residents. Integrated ways of working between Portsmouth City Council and the NHS are well advanced in Portsmouth and this places the city in a good position to continue to deliver improvements for residents and also be an active partner in shaping these wider regional reforms.

5. Our health and care priorities

5.1 Our Health and Well Being Board has developed and adopted a **blueprint for Health & Care**. This has been developed with our NHS partners and Portsmouth City Council. The blueprint vision is for everyone to live healthy, safe and independent lives with the right support for individual needs provided in the right place and at the right time. This means empowering individuals and communities to maintain good health and prevent ill health. It means a shift from acute care to community care. It means a radical improvement in early intervention and prevention. And it means joining up the planning, commissioning, delivery and management of services.

5.2 The blueprint aims to remove issues caused by working as separate organisations and to join up services around the care of individuals. This will include bringing together the statutory functions of the different organisations, and the commissioning of health and social care. The result will be joined up services integrated around the care of the person.

5.3 The blueprint sets out how we aspire for things to change in the future including:

- **To increase the care provided in the community, with a clear focus on early intervention and prevention**, and reducing the pressure on costly urgent and emergency care
- **Combined health and care teams will be created based in seven day a week ‘community hubs’ across the city.** The hub based teams will offer a broad range of services from primary and hospital care, to social care, wellbeing, mental health, occupational therapy, and rehabilitation and reablement
- **A single point of access will be created for health and social care in Portsmouth** so individuals, and their families and carers, find it easier to get the information and advice they need to make choices about the services they use and to manage their own care
- Better prevention and early intervention will enable **hospital care to be more focused on planned treatment** and, where urgent care is needed, choices will be simplified
- **Social care will continue to develop** so that people’s social care needs are met in the community wherever possible
- Work to establish **multi-agency teams for children and families** will continue and will be incorporated, in time, into community hubs
- Future models of health and social care will be developed by **‘growing our own’ workforces, so health and social care staff have the skills to support new ways of providing services in the future**
- Making more effective use of buildings will build capacity for community based organisations and activities
- A coordinated information system will mean individuals have a single care record that can be accessed by them, and by those providing their care

6. Building a stronger voice and approach for our City

- 6.1 PCC and PCCG have a strong appetite to advance integration plans and to build on existing integrated working in the city. Both organisations, through these arrangements, aim to strengthen leadership for health & care in Portsmouth, make best use of our combined resources (people and money), reduce waste by avoiding duplication of management and achieve a better focus on health & care outcomes for people in the city.
- 6.2 Strengthening arrangements for Health & Care Portsmouth will allow the city to work effectively as a partner in the Portsmouth and South East Hampshire Integrated Care Partnership. From a Hampshire & Isle of Wight Sustainability & Transformation Programme perspective, Health & Care Portsmouth will thus encompass the functions of both ‘clusters’ and ‘placed based planning’ (these are defined in Section 2 of this paper) and will enable a single voice for Portsmouth within all tiers of Sustainability & Transformation Programme and Integrated Care Partnership planning and delivery.

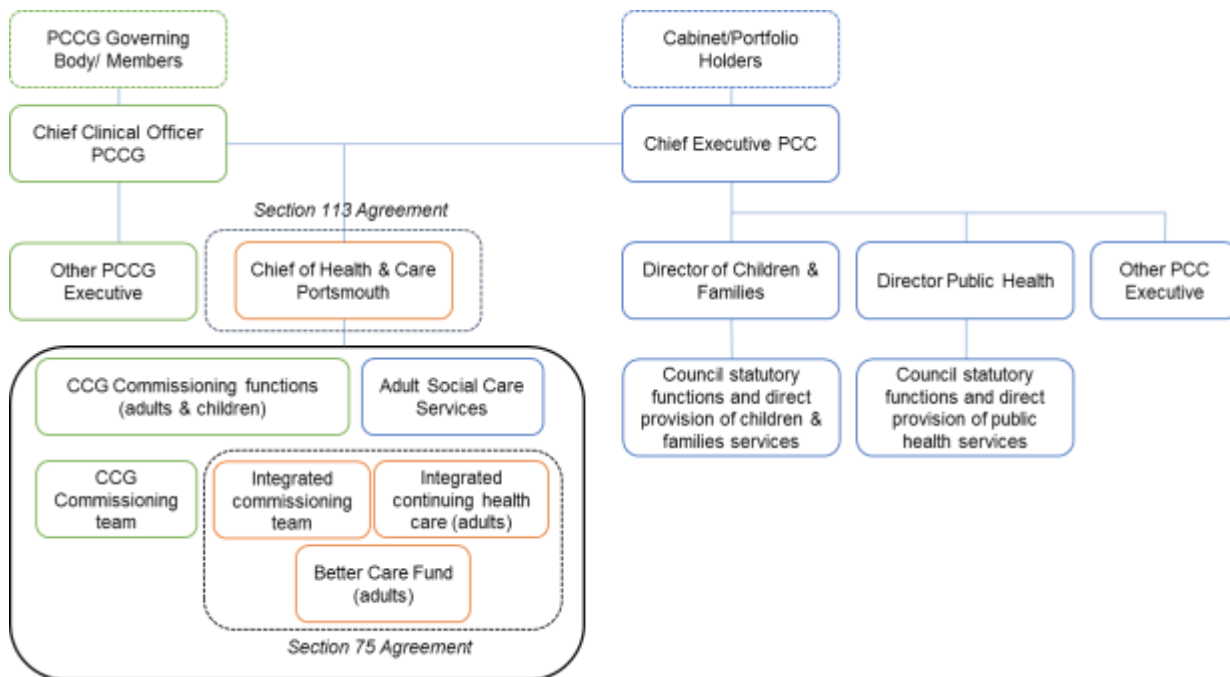
Role of ‘Health & Care Portsmouth’

Strategy & planning

- Place based planning driven by population needs assessment
- Integrated Local Authority and NHS planning and delivery

	<ul style="list-style-type: none"> • Single strategy and plan for the City – Health & Care Portsmouth
Care redesign	<ul style="list-style-type: none"> • Developing new models of care across health, social care and public health • Delivery of new models of care with providers including integrated primary and community care teams in place across health and care • Programme management with providers to enable delivery of care redesign strategies
Workforce development	<ul style="list-style-type: none"> • Developing the right workforce with the right roles including new/extended roles, innovative workforce solutions to address city workforce challenges and to meet the needs of the blueprint including a focus on pathways to qualifications and multi-agency working • 'Organisational' development to cluster and other new ways of working
Accountability & performance management	<ul style="list-style-type: none"> • Oversight of delivery of the blueprint for Health & Care Portsmouth including clusters/new models of care • Delivery (and recovery) of constitutional standards/city agreed outcomes and driving improvement and reducing unwarranted variations in the City • A single approach to performance management
Managing collective resources	<ul style="list-style-type: none"> • Aligning health, care and other sector resources to focus on delivering improved outcomes building on existing integrated working arrangements • Pooled/delegated funds for range of health and care services – adults, children, public health • Directing resources to priorities and to address risks and perverse incentives • Shared support services
Leadership & governance	<ul style="list-style-type: none"> • A single coherent entity (Health & Care Portsmouth) bringing together agreed PCCG and PCC functions • Care professionals leading service integration and improvement • Working in collaboration with partners to further improve wellbeing, independence and social connectivity through the wider determinants of health including public health, housing, employment, leisure and environment • Further integration of governance with an Integrated Commissioning Committee bringing together PCC Elected members with PCCG Governing Board at a strategic level acting as the single decision making committee for commissioning in the City • A united voice/representation in the integrated care partnership and Hampshire and Isle of Wight wider system arrangements

6.3 The current operating model for Health & Care Portsmouth is given below. This has been built over a period of years and on the basis of partnering and collaboration between the local NHS and Portsmouth City Council. It utilises current legislation to ensure the statutory functions of the CCG and the Council are delivered in a way that is compliant with the law but also goes further making use of shared roles, resource and aligned budgets (e.g. Better Care Fund) to align decisions on health & care for people in Portsmouth.



6.4 In considering what measures need to be taken on the next steps of our integration journey several aspects have been taken into account:

- Review and learning from our own experiences of integration – and a desire to take this forward in specific areas and to bring children’s and public health integration work within a common governance arrangement with work on adult services
- A need to specifically address senior executive capacity across PCCG and PCC in order to ensure appropriate discharge of statutory duties such as the Director of Adult Social Services (DASS) and Director of Children’s Services (DCS) functions and to ensure maximum value and reduced duplication from greater integrated working
- Learning and experience from elsewhere – both local partners (e.g. Southampton) and further afield
- The work undertaken as part of the Hampshire and Isle of Wight Sustainability & Transformation Programme and the Portsmouth and South East Hampshire Integrated Care Partnership
- Ensuring arrangements align with emerging partnership arrangements resulting from public sector reform now and into the future.

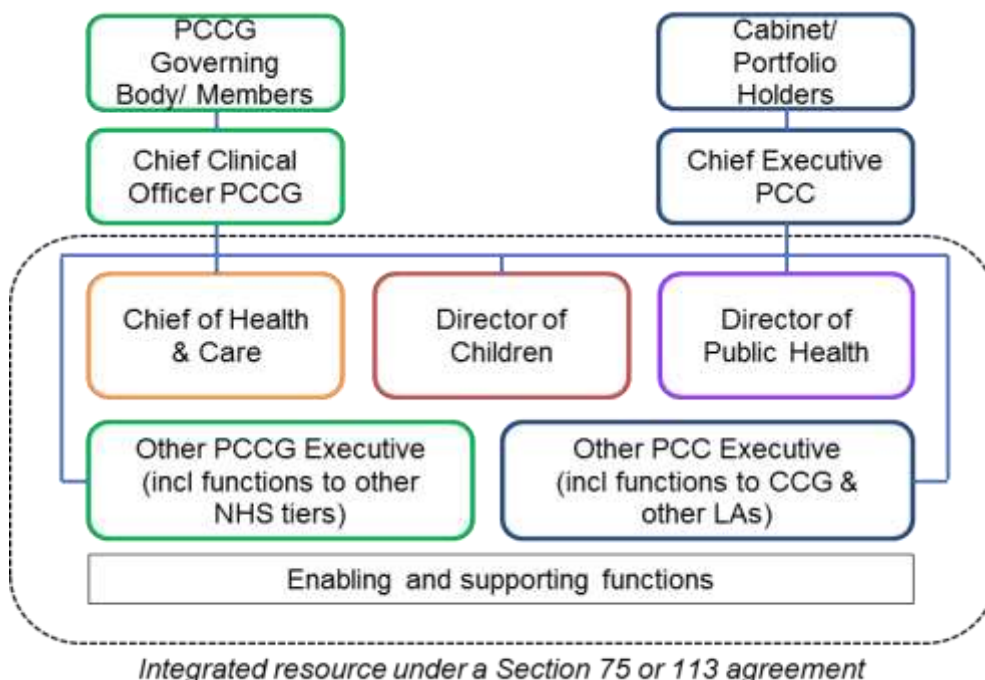
6.5 In summary, the proposals are:

- Incorporate defined PCCG functions for children services within the existing Director for Children’s Services in PCC, mirroring the integrated role for adults already established within the Chief of Health & Care Portsmouth in PCCG

- Integrate defined Public Health and PCCG commissioning functions within a single role or roles (utilising existing roles)
- To strengthen support to the Chief of Health & Care Portsmouth in the discharge of their statutory Director of Adult Social Services (DASS) functions - create a dedicated Director of Adults Services role, from an existing post within Adult Social Care, reporting to the Chief of Health & Care Portsmouth. This will ensure sufficient leadership capacity for adult social care transformation in the City and for engagement in other tiers (in particular the local Integrated Care Partnership)
- Review existing PCC and PCCG capacity currently reporting to the Chief of Health & Care Portsmouth, Director of Children's Services and Director of Public Health and align roles and portfolios to this integrated Health & Care Portsmouth executive

6.6 Such a move to an integrated executive team for the shared health and care responsibilities of PCC and PCCG would underpin a strong health & care system for the City. This could look like:

Proposed Health & Care Portsmouth Operating Model



6.7 This operating structure will also enable all health & care leaders and representatives from the City, including the two Accountable Officers for PCCG and PCC, to act as the 'voice of the City' in other system settings including the Integrated Care Partnership and the proposed strategic commissioner arrangements across Hampshire and Isle of Wight.

- 6.8 Integration via the Chief of Health & Care Portsmouth role and team is advanced. This role leads the PCCGs strategic commissioning functions, directs the integrated arrangements for Health & Care Portsmouth for PCC and PCCG, and holds the statutory responsibility for Adult Social Care for PCC. This will role will be retained.
- 6.9 The development of a 3-year plan for improvement and delivery of adult social care services for Portsmouth requires a clear and dedicated leadership role with sufficient capacity to manage the change and delivery of operational adult social care services. A Director of Adults Services role will be created from an existing senior management role within PCC Adults and the supporting senior management team reconfigured to align portfolios to the strategic priorities of the 3-year plan. This role will be an integral part of the Health & Care Portsmouth leadership, reporting to the Chief of Health & Care Portsmouth as well as being a visible and active part of the emerging Portsmouth and South East Hampshire Integrated Care Partnership.
- 6.10 Portfolios and capacity within existing Director roles in the CCG are currently being reviewed to identify opportunities for these roles to incorporate responsibilities from both the CCG and PCC. Consideration needs to be given to ensuring a balance of portfolios whilst also integrating management arrangements across health and care beyond the Chief/Director level – for example exploring a single approach to quality across health and care. Consideration also needs to be given to the current age related separation of certain functions such as those for safeguarding, mental health and vulnerable adult services.
- 6.11 Each of the Directors within the Health & Care Portsmouth operating model would also have a specific lead role for the City in the Integrated Care Partnership and Sustainability and Transformation Programme, and in some cases, lead programmes for the ICP (e.g. Mental Health). All team members in the Health & Care Portsmouth team would be part of the Section 75 agreement (or other arrangement to be agreed) for the City.
- 6.12 Currently PCC and PCCG have a single ‘integrated commissioning team’, line managed by the PCCG’s Director for Quality & Commissioning and formalised via a Section 75 agreement for pooled staffing; this team is known as the Health & Care Portsmouth Commissioning Service. The team delivers key functions including managing large scale service change across organisational boundaries, engaging and working with residents and front-line professionals to identify improvements and efficiencies. This skill set will continue to be required across the whole Health & Care Portsmouth programme of work. If agreed in principle by both the PCCG and Portsmouth City Council, further work will be conducted to establish how resources can be aligned (budgets and people) in order to reduce duplication and strengthen a single approach to planning, prioritisation, service improvement and resource allocation for those services in scope.
- 6.13 There is an appetite to integrate the city's approach to health and care for children & families services to reflect the operating model already in place between PCCG and PCC for adults’ services. Based on scoping work undertaken between

PCCG and PCC, there are a number of PCCG and PCC functions and services that could form part of an integrated Health & Care Portsmouth approach under the single leadership and direction of the Director of Children & Families, PCC. Services or functions that are proposed to be in scope for a unified approach are given in Appendix 1.

- 6.14 If agreed in principle by both PCCG and PCC, further work will be conducted to establish how resources can be aligned (budgets and people) in order to reduce duplication and strengthen a single approach to planning, prioritisation, service improvement and resource allocation for those services in scope. As part of this, consideration will be given to the relationship between this integrated Director of Children & Families role and other PCCG responsibilities including NHS planning and performance, quality assurance and financial management. This would include considering utilisation of current legislation to secure good, legal governance (for example use of Section 75 or Section 113 powers).
- 6.15 There is also an opportunity to consider integration of planning, prioritisation and leadership of Public Health commissioning with NHS commissioning. There are several interdependencies between the services commissioned by Public Health and those commissioned by the CCG. Currently PCCG and PCC work collaboratively to mitigate any unintended consequences of decisions made within their respective, separate functions. There is appetite currently to establish a single approach to NHS and Public Health commissioning for services where these interdependencies are strongest and where, from a resident's perspective, the current division of planning limits the provision of a single integrated approach to care.
- 6.16 Using as a starting point the 2011 Department of Health guidance on Local Authority Public Health commissioning responsibilities, areas are where Public Health and PCCG commissioning have a clear impact on each other and could form the basis of a single integrated operating model between PCCG and PCC are set out at Appendix 2.
- 6.17 There are further opportunities to consider whether other interdependent PCCG and PCC public health functions could be brought together under this single operating model once established. This includes obesity services and aspects of prevention programme work (such as smoking and maternity or healthchecks and diabetes & hypertension services).
- 6.18 If agreed in principle by both PCCG and PCC, further work will be conducted to establish how resources can be aligned (budgets and people) in order to reduce duplication and strengthen a single approach to planning, prioritisation, service improvement and resource allocation for those services in scope. This would include considering utilisation of current legislation to secure good, legal governance (for example use of Section 75 or Section 113 powers).
- 6.19 We will continue to explore the opportunities presented by integrating further other functions of PCCG and PCC in support of our strategies and plans. In particular the following functions will be reviewed:

- Financial planning and management
- Use of data and intelligence to improve the health & care offer
- Performance management, planning and business/governance services
- Communications and engagement.

6.20 Further details about these particular areas of work and the opportunities are in Appendix 3.

6.21 There are a number of opportunities to focus on the **wider determinants of health** through collaborative working with housing, leisure, education and also bringing together resources in areas such as community engagement. Establishing a clearer leadership for Health & Care Portsmouth enables further cross-departmental working as well as further integration between health & care and all PCC functions. There are also opportunities to develop joint working arrangements in relation to **specialist functions** such as Business Continuity Planning, Emergency Planning & Resilience Response, estates and capital planning.

7. Required changes to governance

7.1 PCCG and PCC already have a range of Section 75 agreements and Section 113 agreements to underpin its joint working arrangements supported by individual partnership management groups. These would need to be refreshed to fit the broader approach described in above.

7.2 Our **Health and Wellbeing Board** at its October meeting agreed proposals for a revision of partnership structure in Portsmouth which included revisions to the remit of the Health and Wellbeing Board, which will enable it to support the proposed Health and Care Portsmouth Operating more effectively. These changes are subject of a separate paper to Cabinet, and will be for determination by Council. This paper will address the need for a sub-board to support the delivery of the operating model for Health and Care Portsmouth.

8. Reasons for recommendations

8.1 Portsmouth is well placed to increase the pace and depth of its integrated commissioning arrangements which can work as a single entity in other layers of planning and delivery of health & care. Portsmouth has a strong track record of building on its asset of co-terminosity and history of integrated working. Through these arrangements it is believed that together PCC and PCCG will be able to push further and faster its delivery of its blueprint for Health & Care Portsmouth and improve the health and care experience of the residents of the City.

8.2 The proposals outlined above would move the City to a unified approach and voice across health and care for the City. It would also provide a direct alignment to policy on children's services, housing, community safety and other aspects of city management that have a direct impact on the determinants of health and care. This would allow us to take an integrated City perspective in our working relationships with the Portsmouth and South East Hampshire Integrated Care

Partnership. In addition the integrated health and care approach described would enable clear City executive leadership in each of the partnership programmes to ensure alignment between the partnership strategies and the work of Health & Care Portsmouth.

8 Equality impact assessment (EIA)

9.1 A preliminary EIA has been completed, indicating that there is no requirement for a full EIA at this stage.

10 City Solicitor comments

TO ADD

11 Head of finance's comments

11.1 As far as possible these changes need to be achieved within existing available resources. The proposals currently focus on utilising existing roles within both PCC and PCCG to consolidate functions, reduce duplication and form a single Health & Care Portsmouth leadership. If the proposed model is supported in principle by the Cabinet, it is recommended that the respective Accountable/Chief Executive Officers, working within their scheme of delegations and constitutional powers, review the management and staffing structures currently in place in order to align this capacity with the new Health & Care Portsmouth operating model. This will include reviewing current cost-share arrangements in place between PCCG and PCC for joint roles to ensure they reflect the new operating model.

.....
Signed by:

Appendices:

Appendix 1 - PCC and CCG children & families functions proposed to be within scope of proposed integration

Appendix 2 - Public Health function proposed to be within scope of proposed integration

Appendix 3 - PCC and PCCG enabling functions proposed to be within scope of proposed integration

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
Blueprint for Health and Care in Portsmouth	https://democracy.portsmouth.gov.uk/documents/s8694/Proposal%20for%20Portsmouth%20Blueprint-%20Appendix%20A.pdf

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

.....
 Signed by: Name and Title

Appendix 1 - PCC and CCG children & families functions proposed to be within scope of proposed integration

Portsmouth City Council	NHS Portsmouth CCG
<ul style="list-style-type: none"> • All Children's social care and early help services (all services within the Children and Families service) • All SEN and Inclusion services including behaviour and attendance, PSHE and Post 16 young people's support services • Ethnic Minority Advisory Service • Out of city care and education placements • Public Health nursing services (health visiting, school nursing and Family Nurse Partnership service) 	<ul style="list-style-type: none"> • Children & Adolescent Mental Health Services including Tier 2 provision (currently commissioned from the 3rd sector) and neurodiversity provision • Childrens' Therapies (physio, occupational therapy, speech and language, podiatry) • Children's Community Nursing • Continence • Special school nursing • Continuing Care for children • Community Paediatric Medical Services • Community Eating Disorders • Inpatient Eating Disorders • Unplanned acute care (emergency paediatrics) • Planned acute care • Maternity • Wheelchairs provision for children (subject to current procurement commitments)

Appendix 2 - PCC public health functions proposed to be within scope of proposed integration

Portsmouth City Council	NHS Portsmouth CCG
Alcohol and drug misuse services Preventative mental health services (suicide prevention)	Adult mental health Hepatology services
Sexual health services/promotion	Termination of pregnancies, vasectomies and overlap with GP Locally Commissioned Services (e.g. provision of long acting contraception or LARC) (HIV services are commissioned by NHS England Specialist Commissioning)
Public Health Children programme (currently delegated to the Director of Children & Families, PCC)	CCG Children's & families services (noting proposal is to delegate these functions to the Director of Children & Families, PCC)

Appendix 3 - PCC and CCG enabling functions proposed to be within scope of proposed integration

Financial planning and management: local government and NHS financial responsibilities, constraints and regimes vary considerably. Recognising that statutory and democratic responsibilities for budgets will remain unchanged in this operating model, there are benefits in bringing together aspects of our financial management arrangements to align with the Health & Care Portsmouth single operating model and it is proposed to scope the potential to develop a singular approach to strategic financial planning to underpin Health & Care Portsmouth.

Use of data and intelligence to improve the health & care offer: There is a need to strengthen the intelligence functions to allow better assessment of local need to inform commissioning decisions. This function should include where possible other sources of data that are relevant to commissioning services, including information about wider determinants of health that may be relevant to services that are provided under the banner of improving health. This would need to be accompanied by a better understanding of the available evidence about the effectiveness of proposed interventions.

This needs to be integrated with developing intelligence offers at a Sustainability and Transformation Programme and Portsmouth and South East Hampshire Integrated Care Partnership level, to ensure that needs across the Hampshire and Isle of Wight system are considered in resource allocation and also to ensure that health inequalities are considered in commissioning processes. Integrating our skills on the collection and presentation of data locally would have benefits in more informed commissioning and service design.

Performance management, planning and business/governance services in support of the Health & Care Portsmouth Executive and its programme of work must be explored to find the most effective operating models.

Communications and engagement: there are already good collaborative working arrangements between PCCG, NHS partners and PCC for the delivery of communications and engagement functions where there are shared business; building on these arrangements, there will be benefit to assessing what options are available within these existing resources to better align communications & engagement capacity with the single operating model.



Title of meeting:	Cabinet
Date of meeting:	5 February 2019
Subject:	Local Plan Update
Report by:	Assistant Director of City Development
Wards affected:	All
Key decision:	No
Full Council decision:	No

1. Purpose of report

- 1.1 The purpose of this report is to update Members on progress in preparing the Local Plan and specifically on work to promote a development option for Tipner. Approval is sought to (i) a publish consultation document with regards to the wider Local Plan work, supported by a range of technical documents (ii) to publish consultation document on the Tipner work, and (iii) to make a provisional revision to the Local Plan timetable set out in the Local Development Scheme.

2. Recommendations

- 2.1 Cabinet is recommended to:

- 1. Approve the Portsmouth Local Plan consultation document, and supporting evidence base documents for 6 weeks of public consultation.**
- 2. Approve the Tipner Strategic Development Area consultation document for 6 weeks of public consultation.**
- 3. To delegate authority to the Assistant Director City Development to modify and make editorial changes to the all consultation documents and supporting documents in consultation with the Cabinet Member for PRED (if required)**
- 4. To adopt the revised Local Development Scheme.**

3. Background

- 3.1 The Local Planning Authority is preparing a new Local Plan for Portsmouth. The Plan will set out a planning strategy to meet future development needs in the city for the period to 2036. The Plan will set out details on the level of development

which will take place in the city and where it will be located and identify the infrastructure needed to support this growth. It will contain planning policies that will inform and influence the quality of development delivered in the city. These will be used to guide decision making on planning applications. Critical to this will be evidence to assess the impacts, viability and deliverability of development.

- 3.2 A report was considered at the Cabinet meeting in July 2018 which set out changes in the National Planning Policy Framework (NPPF) and proposals for taking the Local Plan forward. That report stated that Members would be advised of progress through future updates to PRED and Cabinet. Because of the importance of the issues raised, the fact that this work crosses member portfolios and recommendation to undertake public consultation at this stage of the Plan preparation, Cabinet is the preferred decision-taking body.

National Planning Policy

- 3.3 The Government is currently implementing the changes to the National Planning Policy Framework and planning guidance which were previously outlined in the report of July 2018.
- 3.4 In October 2018 the Government published proposed revisions to the NPPF and guidance which confirmed their view that Local Planning Authorities should use older, higher household projections previously published by MHCLG as the starting point for calculating housing need. This has been an ongoing issue which has affected all planning authorities, and the impact this uncertainty has had on the production of plans across the country has been widely reported in the professional press. However, at this time of writing it is anticipated that the Government will confirm the proposed changes, which will bring certainty to this issue. The Council has written to the government on the grounds that the Standard Methodology would result in housing number that are too high and cannot be accommodated within the city.
- 3.5 Some of the further changes to the NPPF include the introduction of a Housing Delivery Test. This will measure the number of actual homes built against the number of homes required within a local planning authority. The aim of the test is to ensure that local planning authorities meet their housing requirement by planning for and building new homes over a rolling 3 year period. The Government has delayed publication of the first Delivery Test outcomes but this is expected imminently.
- 3.6 The result of the expected changes are that the government's standard method of assessing need gives a housing need figure of 863 homes per annum, equal to 17,260 homes over the plan period 2016-2036. The standard method requires regular updating, but overall this figure is not anticipated to change significantly for the purposes of plan-making over the next year or more. Whilst national policy allows for alternative methods of calculating this need in "exceptional circumstances", it is clear that the use of alternative methods are not encouraged, and in any event it is extremely likely that the outcomes of the

standard method would always be of relevance for any future examination of the emerging Local Plan. Therefore it is proposed that, barring any significant change in national policy or planning practise, this will be the starting point for the emerging local plan.

- 3.7 Another outcome of the expected changes is likely to be that, because the initial target by which the delivery of housing is assessed will have been raised, the council will no longer be able demonstrate a five year supply of housing land. Members will be kept informed of the position once the changes are confirmed.
- 3.8 As discussed in the July Cabinet paper, this represents a new approach by the Government - replacing the previous locally produced assessment of housing needs with a "top-down" figure produced from nationally produced official projections (and one which was objected to by this Council and others). The following table sets out a comparison of the existing adopted plan target, the level of housing need using the Government's standard method and recent delivery, including a significant element for student housing, to be discussed in more detail later in this report).

**Comparison of housing numbers,
dwellings per annum and equivalent twenty year targets**

	Dwellings per annum	Twenty years (2016-2036)
Existing adopted Local Plan	584	11,680
Previous PUSH statement of need	740	14,800
Government Standard Method	863	17,260
Recent delivery (2012-2018)	543	10,860

Tipner

- 3.9 Members will be aware that the regeneration of Tipner has been a long-held aspiration of this council. A significant amount of technical work has been undertaken and previous Local Plans have allocated this land for development with land at Tipner East and part of the land at Tipner West having been allocated for development in a series of Local Plans. The adopted Portsmouth Core Strategy established a position where, subject to the provision of infrastructure, Tipner, Horsea and Port Solent were proposed for a series of linked developments.
- 3.10 In 2013 the Council signed the Southampton/Portsmouth City Deal with central government which saw funding and the transfer of Horsea Island and the Tipner Firing Range to the Council.
- 3.11 Since then work has been underway investigating the potential for development at Tipner and Horsea. Planning permission was granted for housing schemes

on Tipner East and Homes England has since indicated it is seeking to dispose of its holdings for development.

3.12 In addition the *Issues and Options* Local Plan consultation document published in the summer of 2017 identified Tipner as a potential strategic site, and described the characteristics, opportunities and potential of the area on pages 48-50. The consultation document highlighted the following issues to be addressed -

- *The capacity of infrastructure, including roads, utilities, and community infrastructure such as schools, to support development in this location;*
- *The impact and mitigation of noise, primarily from the M275;*
- *Public open space and access to the waterfront;*
- *Potential relocation of the existing Harbour School;*
- *The need for improved flood defences, and any opportunities arising from their delivery;*
- *The delivery of key identified infrastructure, including a new sewer, water supply; electricity substation, flood defences and highways infrastructure linking to the M275 and the relationship between Tipner East to Tipner West;*
- *The need for new walking and cycling links throughout the area and to the surrounding areas and key destinations;*
- *Impact upon on Portsmouth Harbour SSSI; and*
- *Links to new country park at Horsea*

3.13 The accompanying *Interim Sustainability Appraisal* document considered the potential allocation on pages 64-66 and the *Issues and Options Habitats Regulations Assessment* considered the implications of the potential strategic allocation, as well as relevant policy options, which resulted in both the site and relevant policy options being "screened in" for further assessment due to their potential for impact on European-designated sites for nature conservation.

3.14 The above documents were published for public consultation in August and September 2017. Following the consultation the results were summarised in the *Local Plan Way Forward* report considered by Cabinet in December 2017. The associated Portsmouth Local Plan *Issues and Opportunities Consultation Summary of Responses* document of November 2017 summarised the responses regarding the Tipner strategic site and gave the following initial council response -

Since the preparation of the adopted Portsmouth Plan in 2012 proposals for this area have developed, with the signing of the City Deal with government, the delivery of the M275 junction and the park and ride facility. Planning applications have been received for residential development of part of the site. However, given the significant potential of this area, the presence of sensitive ecological assets and other considerations including flood defences, the presence of Harbour School and listed structures, and the potential for a bridge to Horsea, further work needs to be undertaken to

determine appropriate proposals and a way forward for the area as the project moves towards further delivery.

- 3.15 Since then further work under city development has progressed exploring the development potential of the area. The work has been informed by the key strategic issues that have been identified for the city as part of the local plan, not least of which is the range of competing needs - for housing, employment land, room for community infrastructure and other uses - and a limited amount of space to meet these needs. Tipner potentially offers the opportunity to deliver a new neighbourhood for the city which can accommodate a significant proportion of those needs, and it is important that this opportunity is fully explored.
- 3.16 Part of the exploratory work for Tipner has included the initial development of concepts to see what opportunities could be delivered. This has highlighted the potential for land reclamation with this option being named the "Super Peninsula" option. This option would entail a significant amount of land to be reclaimed from the harbour. The creation of additional land would create the potential for a significant number of additional homes to meet the city's needs and employment floorspace and create a deep water frontage to enable a focus for those sectors of the marine industries which depend on deep water access for testing and transporting vessels. Maximising this opportunity could also enable delivery of a complete community with more local facilities, creating a more sustainable neighbourhood to the west of the M275.
- 3.17 Clearly, there are a number of issues to be considered. In addition to the considerations set out in paragraph 3.9 of this report, key issues include (but are not limited to) the impacts upon the hydrology and operation of the harbour for existing users, ecosystem impacts, the deliverability of the scheme and the financial viability of the scheme. Arguably, the most significant issue from a planning perspective is the detrimental impact the proposal would have on the European designated harbour and whether there is a compelling case for the impact together with whether appropriate compensatory habitat can be provided elsewhere.
- 3.18 The significance of the impact land reclamation would have on the SPA should not be underestimated. Both European and domestic legislation afford the highest levels of protection to internationally designated sites, and the requirement to demonstrate "imperative reasons of overriding public importance" (which applies in any case where a proposal is likely to adversely affect the integrity of a site) is a high hurdle. Whilst there have been a number of positive discussions around the principle of land reclamation there is no known national precedent for anything of this scale.
- 3.19 Ultimately, the question whether the statutory tests can be met is one which it may only be possible to answer once full details of the proposal are known. However, legal counsel has advised the Council should look to bring proposals forward through the Local Plan process rather by means of a speculative planning application. It is therefore considered necessary to consider the matter through the Local Plan process.

Portsmouth Harbour Special Protection Area and SSSI

- 3.20 Given the impacts on the Special Protection Area the Super peninsula option would have, it will be necessary for the proposal to be supported by a detailed case to justify its approval under the European Union Habitats Directive, given effect under the UK Habitats Regulations 2017 (as amended).
- 3.21 Critical to Super Peninsula's deliverability is whether approval can be secured through a Habitat Regulations Assessment (HRA). This has 3 elements, first an Appropriate Assessment, followed by three sequential tests, (1) satisfying the 'Alternatives' test, (2) satisfying the 'Imperative Reasons of Overriding Public Importance' (IROPI) test, and (3) providing deliverable and effective environmental compensation to redress the impacts of the proposals.
- 3.22 To promote this the Local Planning Authority would need to have an appropriate framework within the context of the city-wide strategy in the new Local Plan. Significant further work is required to consider the likely impacts upon the SPA, the potential and ability to deliver measures to compensate harm or improve the ecological features, as well as assessing whether the overarching needs for development justify the impact and the compensatory measures. It is worth noting at this point that *any* comprehensive regeneration of Tipner will have to consider ecological impacts in an extremely sensitive locality, but the scale and nature of the Super Peninsula option adds significant further complexity.
- 3.23 Ultimately, assuming these issues can be appropriately deal with, the aim will be for the Plan to seek to establish an overall framework for the Tipner Strategic Development Area, potentially including options up to and including Super Peninsula, with the detail, including scale, shape, and form of the new neighbourhood to be developed as the work progresses.
- 3.24 In summary, in terms of the *Tipner scheme*, maximising the potential of this area, through the super peninsula option, increases the technical challenges of the project, though it may help with viability and ultimately deliverability - though that has yet to be established in formal technical work. In terms of the *Local Plan*, exploring all options for Tipner is essential to demonstrate the Council as Local Planning Authority is doing all it reasonably can to meet development needs.
- 3.25 The complexity and risks have been outlined in this report. While Tipner and Horsea were included in the *Issues and Options* consultation in the summer of 2017, the potential for land reclamation and associated expansion of west Tipner was not discussed and it is considered appropriate and necessary to publish and consult upon this option now, while options are being examined, to ensure there is an appropriate debate, and that views from key parties, including landowners, nature conservation interests, harbour users and local communities are taken into account and shape the work as it goes forward.

- 3.26 To enable an initial formal consultation to be undertaken, a short document has been prepared which outlines the proposals in broad terms to give all parties an understanding of the progress to date. An indicative masterplan has been prepared to show what broad distribution of uses could be delivered in a new neighbourhood. Together, the aim is for the consultation to build upon the initial gathering of views undertaken in the *Issues and Options* document, ensure we gather views on the total potential of the area including the Super Peninsula option, while making it clear that this is only one possible outcome, and that the ultimate shape, form and timing of the development of Tipner will evolve over time as the technical work progresses and the relative merits and deliverability of proposals are fully considered. At this point however it is important to stress that this work is an integral part of the Local Plan and needs to be tested as such. The draft consultation document follows as Appendix 1 to this report.
- 3.27 Previous reports to Cabinet have addressed consultation arrangements, outcomes and opportunities for improvement. Rather than duplicate the arrangements held for the *Issues and Options* consultation, the aim is for consultation events to be held near to the communities most likely to have a direct interest - at Tipner, and Port Solent. However, the consultation itself will be city-wide in nature, open to all parties and in line with the Statement of Community Involvement which sets out how the Local Planning Authority will undertake consultations.

Local Plan Evidence

- 3.28 There is also a need to update members on progress made on the Local Plan. Some work has been dependent upon the resolution of issues at national level (i.e. the government's change in approach to housing numbers outlined in the Cabinet report of July 2018. However, significant progress has been made in key areas. National planning guidance is that Local Planning Authorities should publish local plan evidence documents as they are completed, on their website in an accessible format, to keep communities informed and involved. Therefore the proposal is that a number of evidence studies are also published for consultation.

Housing And Economic Land Availability Assessment

- 3.29 Over the summer of 2018 city development officers prepared a Housing and Economic Land Availability Assessment, which is a comprehensive look at the capacity of the city to meet development needs. It has been prepared following two public "call for sites" and discussions with key landowners. It is a necessary technical stage in understanding what could be delivered in the city by 2036. It does not allocate land for development or set out formal policy on the use of any of the sites - the Local Plan will ultimately do that. However, it is an essential piece of evidence to ensure all sources of land have been considered in preparing the Local Plan.
- 3.30 When preparing the assessment officers have been mindful of the high levels of housing need which the plan is expected to do all it reasonably can to meet.

Therefore every effort has been made to identify sufficient capacity to meet the levels of need set out using the government's standard methodology.

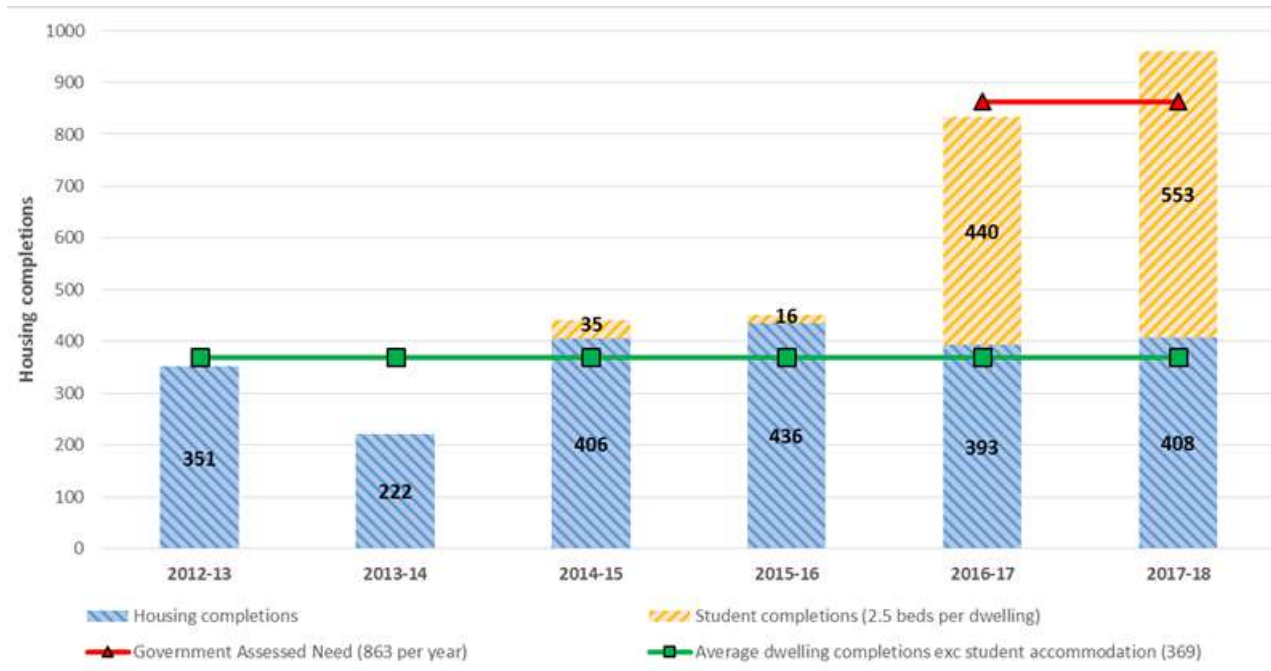
- 3.31 Another factor is the growth in bespoke student accommodation. While this only accommodates students, according to national planning guidance this can be included towards the housing requirement, based on the amount of accommodation it releases in the housing market. The Government's proposed delivery rulebook indicates that known student housing schemes over the period 2016-2036 may count for as much as 1,700 dwellings. Confirmation on this point has been sought from government and further clarity is expected in the forthcoming publication of the Housing Delivery Test (expected imminently). Although important in the short term, the current level of development of student accommodation is not anticipated to continue over the plan period.
- 3.32 The following table sets out the headline figures for housing need, delivery to date, and the identified capacity in the city.

Housing Need, delivery to date and Identified Capacity

	Total 2016-2036
Housing Need	17,260
Delivered 2016-2018	1,794
Reminder 2018-2036	15,469
Total supply identified in HELAA	12,676
Shortfall	-2,793

- 3.33 This will be considered through further technical work to see if all of the capacity of the city has been assessed and if any constraints can be overcome. In addition, any change to the treatment of student housing would change the capacity figures identified above. Although the figures above show a shortfall, it is worth noting that the figures of need and identified capacity set out above are far in excess of housing delivery in recent years. The following chart shows the level of development in recent years, and the levels of need from 2016 using the government's methodology. -

Delivery of housing and student accommodation and housing need figure, 2012-2018



- 3.34 Given the step change required, delivery will be a key concern as this is a significant rise over previously achieved rates. The above chart includes an allowance for student housing which is not yet confirmed, and in any event the development of student accommodation is not anticipated to continue indefinitely. However, the current findings of Planning Inspectors undertaking Examinations of other Local Plans, indicates that this is not sufficient on its own to warrant setting a lower target in the new Local Plan - the Council may well be expected to improve these rates of development in its area.
- 3.35 Publication of the document enables all parties, including local communities and landowners to see what has been assessed and it enables comments to be made now by anyone on the current assessment of capacity of each site and potential deliverability. Those comments will then be considered as the Local Plan progresses. It also enables the Council to set out, in a public document, an assessment of the needs for housing and employment land and the total capacity of the city to accommodate those needs - critical to enable informed discussions with neighbouring authorities under the Duty to Cooperate. Duty to Cooperate is a statutory duty for the Council and others to cooperate on strategic planning matters. This is a key requirement under the National Planning Policy Framework and essential for addressing issues such as unmet housing need.
- 3.36 It is worth confirming that this is an assessment of capacity and developability. Before the Plan is finalised, further work will be undertaken to address the suitability, deliverability, and impacts of development. This includes a full review

of infrastructure requirements and funding, working with key partners including health providers, utility companies as well as the Council's own services such as education; and further work to investigate the environmental capacity of the city to accommodate development and its associated impacts, such as transport, biodiversity, and flooding. This further detailed work to understand the infrastructure needs will inform an Infrastructure Delivery Plan to be published when the draft plan is prepared.

Other background papers

- 3.37 A range of additional evidence studies have been prepared, some in-house and some using external consultants. These include a first stage Transport Assessment, an assessment of open spaces and playing fields throughout the city, and an assessment of gypsy and traveller accommodation needs. Various background papers have also been prepared in-house. Some additional studies on air quality and water resources have been prepared on behalf of the Partnership for Urban South Hampshire. All set out the evidence gathered to date for the emerging Local Plan. Publishing them now will enable interested parties to comment on their contents at this stage, which will help to test their robustness before the Plan is finalised. It should be recognised that a number of significant areas of work, including an approach to the city centre, will need to be developed further before the Plan can be finalised.

Summary consultation document

- 3.38 Local Plans are necessarily based on a significant body of technical evidence. It is important that the full detail is available to interested parties, but making it accessible is a challenge. To enable the consultation to be undertaken, a short summary paper has been prepared which covers all the key points. The intention is for the summary document to provide a useful summary of the main issues, with greater detail set out in various supporting documents should people wish to access it. That document follows as Appendix 2 to this report
- 3.39 The outcomes of all the consultation will be summarised and reported back to Members at the earliest opportunity, expected to be start of the summer in 2019. This will include an assessment of the response on the Local Plan technical work and an review of the planning issues resulting from the consultation on the Tipner and Horsea options

Local Plan Timetable

- 3.40 The Council has an obligation to maintain a timetable for the production of the Local Plan in its Local Development Scheme. The published Local Development Scheme requires updating to take into account the current position. The proposed document is set out in Appendix 3 of this report. Key dates for this Local Plan are as follows -

February - March 2019	Local plan Evidence and Tipner consultations
Early Summer 2019	Report to Members on consultation responses and way forward
Winter 2019 (provisional)	Draft Plan policies consultation
Summer 2020 (provisional)	Final proposed Plan consultation

- 3.41 This Local Plan timetable has amended over time. Given the complexity of the process and the significant undertakings, including the work at Tipner, it is important to note that the timings of future consultations may be amended. The way forward report in early summer will provide an update on this point.

4. Equality impact assessment

- 4.1 A preliminary Equality Impact Assessment is recommended at this stage, with a full EIA to be completed once the consultation has finished and all results have been collected and analysed.

5. Legal implications

- 5.1 The Town and Country Planning (Local Planning) (England) Regulations 2012 (as amended), together with Part 2 of the Planning and Compulsory Purchase Act 2004 set out the principle, procedure and substantive obligations in relation to the preparation and adoption of the Local Plan. These steps are reflected in the narrative of this report.

- 5.2 The new Local Plan document may not be submitted to the Secretary of State for independent examination unless it, and the procedural steps taken, complies with any relevant legal obligations, and the submitting authority thinks that the document is ready. On examination, the independent Inspector appointed by the Secretary of State, hearing representations and inquiring into the document, will consider the soundness of the document. As set out in the NPPF, this will involve considering whether the Local Plan is :

a) Positively prepared – providing a strategy which, as a minimum, seeks to meet the area’s objectively assessed needs¹⁹; and is informed by agreements with other authorities, so that unmet need from neighbouring areas is accommodated where it is practical to do so and is consistent with achieving sustainable development;

b) Justified – an appropriate strategy, taking into account the reasonable alternatives, and based on proportionate evidence;

c) Effective – deliverable over the plan period, and based on effective joint working on cross-boundary strategic matters that have been dealt with rather than deferred, as evidenced by the statement of common ground; and

d) Consistent with national policy – enabling the delivery of sustainable development in accordance with the policies in this Framework.

- 5.3 In preparing this report and the Local Plan, regard must be had to the public sector equality duty. This requires the Council in carrying out its functions, to have due regard to the need to achieve the objectives set out under s149 of the Equality Act 2010 to:
- i. eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
 - ii. advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - iii. foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 5.4 An important consideration for a Local Plan is Habitats Regulation Assessment under the Conservation of Habitats and Species Regulations 2017 (SI 2017/1012 as amended) (where there is a likely significant effect on a European wildlife site located in the LPA's area or in its vicinity). The proposals for the Tipner project in isolation would almost certainly be construed as having a likely significant effect on a European wildlife site. Even without the Tipner proposals, the Conservation of Habitats and Species Regulations 2017 would be engaged when drafting a Local Plan for Portsmouth. As outlined in the main body of this report, the conclusions of relevant Habitats Regulations Assessments will be a cornerstone to the formulation of planning policy in accordance with the law.

6. Director of Finance's comments

- 6.1 The recommendations within this report to publish the consultation documents and adopt the revised Local Development Scheme do not directly have an adverse impact on Council resources. It is anticipated that the cost including the external technical work required to inform the final production of the Local Plan, as presented within this report will be met from the existing cash limited budget.

.....
Signed by:

Appendices:

- Appendix 1 Draft Tipner consultation document
- Appendix 2 Draft Local Plan Update document
- Appendix 3 Draft Local Development Scheme
- Appendix 4 Preliminary Equality Impact Assessment on Local Plan consultation

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:

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Tipner Strategic Development Area



CONSULTATION DOCUMENT

February 2019

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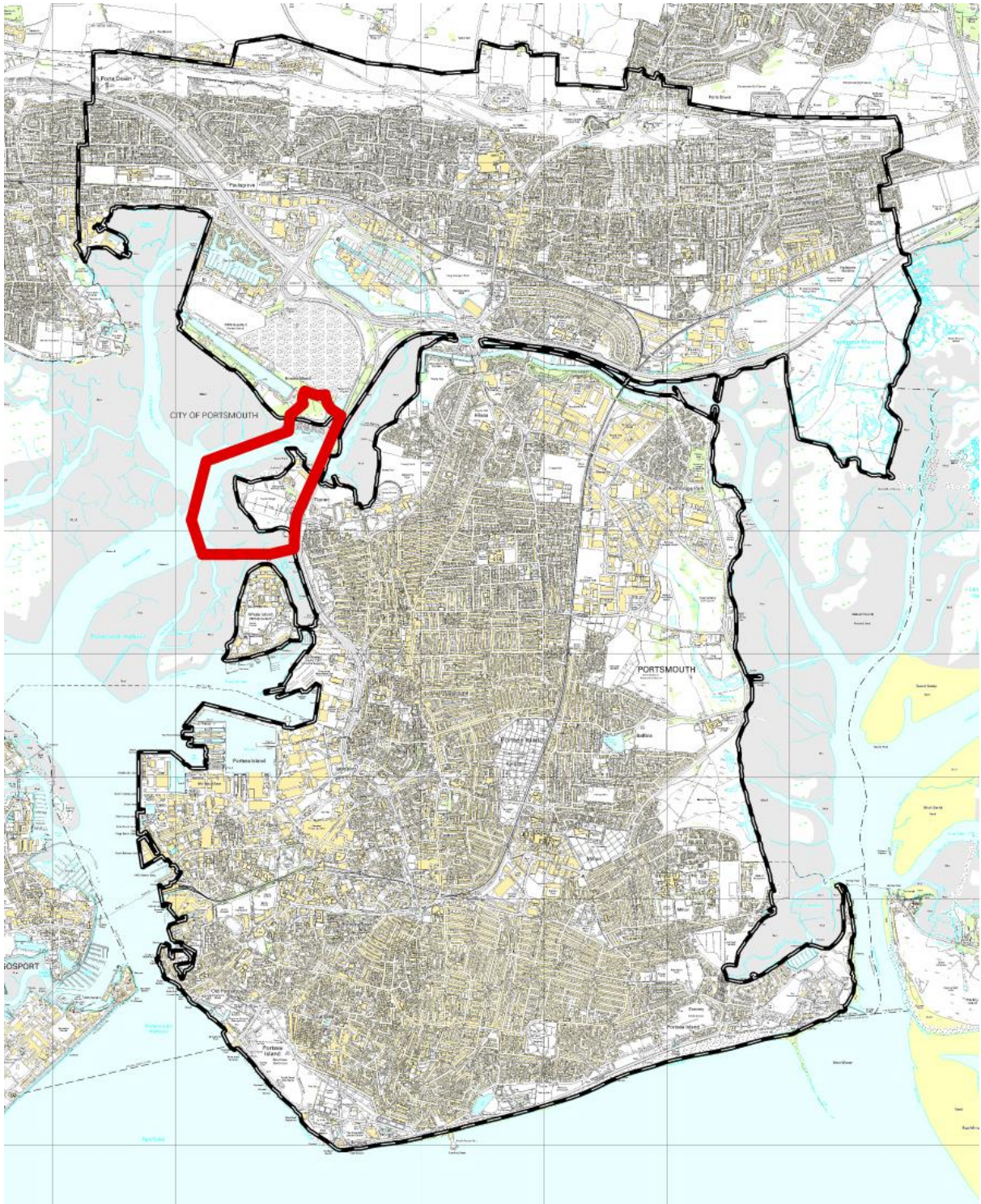


Figure 1 - Location of Tipner Strategic Development Area

1. The Tipner Strategic Development Area

- 1.1. Portsmouth City Council has identified land at Tipner and Horsea Island as a potential strategic location to help meet the City's current and long term housing and employment needs. It represents the largest area of undeveloped and under-used land in the city. However, given the presence of sensitive internationally important environmental assets, and other considerations including flood defences, the presence of Harbour School, Grade II listed structures, and the potential for a bridge to link Tipner with Horsea, significant areas of further work will need to be undertaken to help test the various options, and determine the most appropriate way forward for the area.
- 1.2. The purpose of this document is to set out the Council's current thinking in relation to the various options for this area, and identify where further work is required to complete the Local Planning Authority's evidence base. The current consultation is therefore only the first stage in the process of establishing the most appropriate site boundary and land uses for the area.

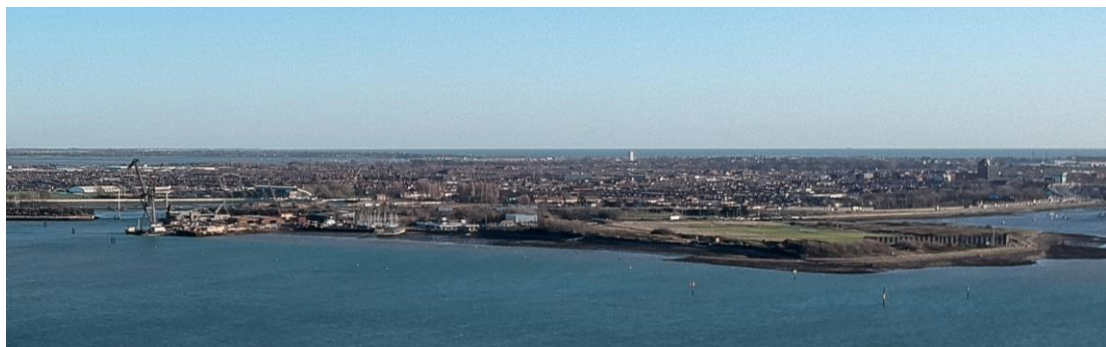


Figure 2 - South east view of Tipner site

2. How to Get Involved - Responding to the Consultation

- 2.1. The consultation on this document and the accompanying supporting material runs from 11 February to 25 March 2019. All the documents are on the Council's website. Paper copies of this document are available to view at the local libraries, community centres, housing offices and at the Civic Offices.
- 2.2. This document ends with a series of questions to help people think about the future of Tipner and Horsea.
- 2.3. If you would like to make comments on the contents of this document please complete the online questionnaire or submit a formal response form. All comments are welcome - it is not essential to answer all the questions.
- 2.4. All comments received in this consultation will be reported to Members and considered in the next stage of the new Local Plan.

- 2.5. Responses should be returned to the Council using the questionnaire form provided. Electronic responses are preferred and you can respond using our online questionnaire or by emailing a completed response form to: planningpolicy@portsmouthcc.gov.uk. Alternatively you can return them by post to Policy and Conservation, City Development and Cultural Services, Planning Service, Portsmouth City Council, Civic Offices, Guildhall Square, Portsmouth PO1 2AU.
- 2.6. If you have further queries about this document please contact us using the email address above.

3. The Need for Development

- 3.1. Using the Government's standard method for calculating local housing need, Portsmouth has an identified local housing need of 17,260 dwellings for the period 2016-2036. The most recent assessment of the capacity of the city concludes there may be capacity for around 14,500 dwellings, so the city is unlikely to be able to meet its own housing needs.
- 3.2. Tipner has the capacity to deliver up to 1,200 new dwellings, with the potential for up to 2,200 new dwellings if the development of a Super Peninsula (which would involve substantial land reclamation, see further below) is both viable and deliverable. Additionally at least 30,000 sq. metres of employment floorspace could be provided creating a significant number of new jobs, which due to its unique location, including potential access to deep water, would be positioned to support the economically important marine industries.
- 3.3. Approximately 6.5 hectares at West Tipner, is currently allocated in the adopted Portsmouth Plan. However, since the preparation of the Portsmouth Plan in 2012, new opportunities for the wider area have arisen, with the signing of the City Deal with Government in 2013 and the delivery of the M275 junction.
- 3.4. Development of the site would make a valuable contribution towards meeting the City's development needs, however, there may also be scope to reclaim land from the sea to create a larger development area. This is the Super Peninsula concept. This has the potential to allow more built development, but also has the potential for additional environmental impacts.
- 3.5. The Harbour area is designated as a Special Protection Area (SPA), and a Ramsar site, and any reclamation works would be bound to have an adverse impact on the integrity of the SPA as a whole. Therefore, in order to make the case for any land reclamation the Council would need to show that there are no realistic alternatives to the proposed Super Peninsula, that there are significant social and economic benefits, and that a package of mitigation and compensation measures would be delivered that ensure that the overall coherence of the SPA is protected. It would

also need to be clear that the phasing and costs of reclamation, and associated mitigation works are both viable and deliverable.

4. Strategy plan

- 4.1. The broad area currently under consideration is shown on the accompanying Strategy Plan. The Area of Search shows the maximum extent of the area under consideration, and it is unlikely that under any of the options currently being tested all the land within the red line would be required. It should be noted that a definitive boundary for the development area cannot be delineated until there has been significantly more evidence gathered and further engagement with the relevant statutory bodies and local community. Once the boundary and land-uses become clearer following further consultations and evidence gathering, the Local Planning Authority will produce a concept masterplan . This will give a clearer indication of the site's capacity, which could see an increase in the number of dwellings, and would give a broad indication of where the potential uses would be located on the site. The Strategy Plan broadly covers the following areas:

5. Tipner West

- 5.1. This site is approximately 6.5 hectares. To the north lies Tipner Lake, part of Portsmouth Harbour (a protected Site of Special Scientific Interest (SSSI), a Special Protection Area (SPA) and a Ramsar site). To the south is the area used by the MoD as a firing range. The rest of the site is currently in use for a variety of uses, including an aggregates wharf and scrap yard, together with areas of cleared scrubland. The Harbour School and the National Seamanship Training Centre are also located in the southern part of the site. Two Grade II listed former powder magazines dating from the late 18th century are located in the northern part of the site.



Figure 3 - Tipner West

- 5.2. The site is allocated for development in the adopted Core Strategy 2012. Significant infrastructure is required to deliver this site including flood defence works, remediation of site contamination and new highway infrastructure. The new motorway junction on the M275, and adjoining Park and Ride, gives the site good access to the City Centre and strategic road network.
- 5.3. The Council is committed to enabling this site to come forward, however, the site has third party ownerships with established uses and these need to be resolved before the site can move forward. The future of the existing uses on the site will need to be confirmed as part of the process of preparing more detailed policy proposals.

6. Tipner Firing Range

- 6.1. This part of the Tipner site is bounded by Portsmouth Harbour (a protected Site of Special Scientific Interest, Special Protection Area for birds and Ramsar site). The most recent use on site was a firing range which the MoD is relocating. The site is nearly 15.5 hectares, largely flat and open, with some limited buildings associated with the rifle range. Whilst this site has not previously been allocated for development, it now forms an integral part of the area covered by the City Deal. The capacity of the site is estimated to be around 600 dwellings.



Figure 4 - Tipner Firing Range - Photo © Peter Facey (cc-by-sa/2.0)

- 6.2. The Council has secured funding through City Deal to contribute to the provision of the associated infrastructure required to bring the site forward. Additional infrastructure such as flood defences plus remediation work is required. However, the site is an important feeding ground for the internationally important Brent Geese, therefore effective mitigation measures will need to be provided, before this part of the site can be developed. New data and mapping prepared for the Solent Waders and Brent Goose Strategy notes this area is a Primary Support Area for the Special Protection Area.

7. Horsea Island

- 7.1. The potential development area at Horsea is around 7.5 hectares. Large parts of Horsea Island have been used by the MoD since the 1880s and the island continues to be the home of the 'Defence Diving School', the UK's centre of excellence for military diving training. A new Country Park will come forward on the former landfill site, with planting currently underway in accordance with conditions attached to planning applications for its remediation.



Figure 5 - Horsea Island

- 7.2. Part of Horsea Island was identified in the adopted Portsmouth Plan as having potential to deliver a residential development to complement those at Port Solent and Tipner and to help facilitate improved accessibility to the new 52 hectare Horsea Island Country Park.
- 7.3. More recently, as part of City Deal the site has been re-appraised and is now identified as potential marine based employment land rather than housing. The Employment Land Review (2016) identifies Horsea Island, in conjunction with the development of Tipner West, as a potential site for approximately 25,000sq m of new employment floorspace. Given the site's potential proximity to deep water access there is potential to build on and extend the marine and maritime related employment clusters found in the adjoining area.
- 7.4. Key to delivering this site is the provision of a new bridge adjacent to the existing M275 and link road to Port Solent. The new bridge would be an important element in facilitating a new Bus Rapid Transport system which would connect Tipner, and the City Centre with the wider travel to work area beyond the administrative area of the city. This will also require measures to prevent the new road and bridge becoming a route for private motor vehicles.
- 7.5. The Stage 1 Local Plan Transport Assessment reviewed the technical aspects of constructing a bridge, and concluded that the bridge is feasible; however the preferred option and cheapest option would cost around £31.2 million. This raises

issues regarding funding and deliverability. It is likely that the value of development may not fund the bridge on its own, and therefore a comprehensive funding strategy will be required to secure its delivery.

8. The Super Peninsula

- 8.1. At the present time the area covered by the City Deal is approximately 21.5 ha. The Super Peninsula with the reclaimed land could provide an area of up to 22 additional hectares, giving the site an overall total of 43.5 ha. Depending on the balance between housing and employment this could provide around 1,000 additional new dwellings.
- 8.2. Previous studies undertaken on behalf of the Solent Recreation Mitigation Partnership have assessed the impacts and pressures of the planned growth in the South Hampshire sub-region on the internationally important habitats along the Solent including Portsmouth Harbour. The main pressures are those caused by the recreational activities of the growing population. These pressures are especially felt by the over-wintering birds found along the Solent. Furthermore, these pressures are likely to grow, whether the Super Peninsula is developed or not. And while there are in place various projects to mitigate the potential future impacts, they are unlikely to improve the current situation, at best they will ensure that matters do not get any worse. Additionally there are the longer term impacts of climate change and rising sea levels, which can only exacerbate the pressures on the SPA.
- 8.3. The option of a Super Peninsula could provide the opportunity to provide a range of mitigation measures which not only address the potential impacts of this development but help in part, to secure the long term future of this internationally important ecosystem.
- 8.4. If proposals for a Super Peninsula are to be progressed then the Council will need to engage with Natural England, the Environment Agency, and other wildlife bodies to develop an effective programme of costed mitigation and, potentially, compensation measures. This will also help the Council assess whether the costs of the necessary mitigation work is commensurate with the value of the reclaimed land.

9. Vision

- 9.1. The Vision for the Tipner Strategic Development Area is for a development that provides:
 - A sustainable and cohesive new community, with a high level of self-containment, which reduces the need to travel by private car. The layout of the development should be based on the creation of walkable neighbourhoods, wherein every household is within reasonable walking distance of the primary

school, shops and recreational facilities. Safe pedestrian access should be provided from every dwelling to the harbour frontages, and opens spaces.

- A wide range of housing types and tenures, with makes a significant contribution towards meeting the identified housing needs of the city. Each house type should fully integrate into the layout so that in no area a single house type or tenure dominates to the extent that it creates a sense of social segregation. The layout of the housing should seek wherever possible to maximise the opportunity for properties to have views over the waterside.
- A wide range of employment opportunities which exploit its waterside location, by creating a centre for maritime excellence which encourages business to thrive, and which recognises the different employment needs of the new community.
- A net gain in environmental benefits and biodiversity across the site and the Harbour. Proposals must be capable of meeting the stringent requirements of the Habitats Directive and the Conservation of Species and Habitats Regulations 2017.
- A linked network of open spaces laid out and designed to afford a range of formal and informal recreational opportunities. The substantial amounts of green infrastructure (GI) required should be designed to integrate the new development into its visually sensitive landscape setting. The spaces provided should make a positive contribution towards enhancing biodiversity across the site. The opportunity should be explored to create a harbour side walk
- An integrated flood risk mitigation strategy which effectively reduces flood risk, enhances the site visually and contributes towards improving biodiversity. The flood risk measures including any on site Sustainable Drainage Systems should form part of an integrated landscape and GI strategy.
- A scheme which is viable and can be phased in such a way as to ensure that all the necessary social and physical infrastructure is delivered in a timely fashion.

9.2 The following gives more detail on the challenges facing the Tipner Strategic Development Area, and where further evidence will be required before a policy can be finalised.

10. Environmental Issues

10.1. Portsmouth Harbour is an internationally important site which provides a range of intertidal and terrestrial habitats that provide a food source for over-wintering birds and geese. The Harbour is designated a Special Protection Area, its international importance is further recognised with its designation under the Ramsar Convention



Figure 6 - Brent Geese - Photo © Rossographer (cc-by-sa/2.0)

- 10.2. The preliminary work on the Habitats Regulations Assessment (HRA) has shown that development at Tipner is likely to have significant direct and indirect effects on integrity of the SPA. As proposals for this area are developed further a more detailed HRA and Appropriate Assessment will be required to fully identify the extent of the risks to the SPA, and to help develop an effective programme of mitigation and/or compensation measures.
- 10.3. In undertaking further HRA work it will be important to establish the present condition of the areas likely to be affected. It is also understood that in the longer term some parts of these areas will be significantly affected by predicted rise in sea levels.
- 10.4. If the option of a Super Peninsula is pursued it is almost certain that the integrity of the SPA will be harmed. It follows that the Council would need to demonstrate that there are no feasible alternatives, that there are Imperative Reasons of Overriding Public Interest (the IROPI test), and that all necessary compensatory measures would be secured to ensure that the overall coherence of the network of European sites is protected.
- 10.5. Regardless of which option for the development of Tipner is adopted it will be necessary to produce an effective and deliverable strategy for providing effective mitigation and compensatory measures that ensure that the overall integrity of the SPA is protected, and if possible enhanced. To do this it will be necessary to establish the full extent of the threats to the SPA which stem from the development, and for the Planning Authority to develop an effective and deliverable package of mitigation measures in partnership with the relevant statutory agencies and wildlife interests. It would be necessary to show that such works can be phased and demonstrate their effectiveness before the relevant development parcels come forward. All of this is necessary to inform the finalisation of the new Local Plan.
- 10.6. An effective package of mitigation measures and compensatory proposals might include;

- creating new or improving existing foraging sites, for Brent Geese, both on and off site;
 - the enhancement of existing poor quality intertidal habitats within the Harbour area;
 - the creation of new intertidal foraging areas on land previously in subtidal areas;
 - the creation of new intertidal foraging areas on terrestrial land outside of the SPA.
- 10.7. It is likely that creating Brent Geese foraging sites on land with current low suitability or utilisation, together with the creation of new intertidal habitat on terrestrial land outside of the SPA, would have the greatest chance of successfully compensating for impacts of development. But all the above options would need further testing through the emerging Local Plan.
- 10.8. Preliminary investigations indicate that there are a number of potential opportunities to create and enhance habitats both in the Harbour itself and the adjoining countryside. The nature, extent and location of the compensatory land will need to be explored and worked up in more detail, and closely aligned with land availability and long term management proposals.
- 10.9. As any development on Tipner is likely to have an impact on the adjacent habitats, and increase recreational pressures, it will be necessary to develop a site-wide strategy to help reduce, and manage recreational pressures on the Harbour, with the overall aim of creating a net gain in biodiversity across the site as a whole. It should therefore link closely with proposals for the new Country Park, to be provided on Horsea Island, both in terms of the proposed uses, and accessibility.

11. Meeting Housing Needs

- 11.1. Portsmouth has an identified local housing need of 17,260 dwellings between 2016-2036. Finding sufficient deliverable sites to meet this level of need will be challenging. However, national planning policy makes it clear that Local Planning Authorities should do all they reasonably can to meet housing need.
- 11.2. The Local Plan process has identified sites for around 14,500 dwellings, leaving a potential shortfall of around 2,800 dwellings. Tipner is the largest area of undeveloped land in the city, and has the potential to deliver at least 1,200 to 2,200 dwellings which would go a long way towards meeting local needs, not only quantitatively but also by meeting the needs across all sections of the local community, including meeting the needs of an aging population, first time buyers and through the provision of affordable housing.
- 11.3. The actual number of homes provided will depend on which option is finally chosen, but obviously the option of a Super Peninsula would make the greatest contribution

towards meeting Portsmouth's housing needs. The site's housing capacity will also be affected by the balance of the different land-uses on the site, especially the amount of employment land allocated. The dwelling types, including the mix of family houses, town houses, and apartments, and the tenures including social housing and private rented accommodation, all of which would be built at different densities will help to determine the final housing numbers.

- 11.4. Given the length of time it takes to bring forward any site of this size, and the potential scale of the mitigation works, it is possible that not all the housing would be completed within the plan period (i.e. by 2036). This is something that will need to be taken into consideration when finalising the approach to any formal allocation for development in the forthcoming Local Plan.

12. Economic Development

- 12.1. Tipner has good direct links to the motorway network and the Port. In addition it has harbour side frontages with some deep water access. Due to the existing numerous and varied marine activities in and around Portsmouth Harbour, the Solent and the wider south coast, there is an opportunity to create synergies with marine and maritime businesses. The potential scale of the land available for employment uses would also allow for new business start-ups, and also provide suitable accommodation for new and existing businesses to expand into.
- 12.2. Portsmouth is within the area covered by the Solent Local Enterprise Partnership (Solent LEP). The LEP has identified the maritime sector as one of the main economic strengths in the area, providing 120,000 jobs. Furthermore it has calculated that for every job created in this sector a further 2.34 jobs are created in support sectors, making the Maritime sector very important to the local economy. The LEP has produced a Productivity and Growth Strategy, which identifies Tipner and Horsea as 'Future Priority' areas 'delivering transformational development for the city, which includes over 2,000 new houses, and major new employment areas'. The LEP has now started work on preparing a Local Industrial Strategy, to build on local strengths and promote the coordination of local economic policy and national funding streams.
- 12.3. The regeneration of the Strategic Development Area could provide a significant amount of employment land. The previous local plan envisaged some 30,000 square meters of employment land, which was proposed to be expanded under the City Deal. As set out above, delivery could be expanded further if the option of a Super Peninsula is pursued. This would in turn provide a significant number of new jobs requiring a wide range of skills. The employment land allocations would be aimed mainly at providing employment opportunities in the Marine sector. However, given the diverse nature and likely job requirements of the new community it will be important to provide a range of employment floorspace including the potential to support small and start-up businesses.

- 12.4. There is no specific use class or definition which covers all forms of marine employment. It could include research and development of new marine technologies, boat building and repair, boat charter, crew recruitment, and ships chandlery, all of which have their floorspace and building type requirements. Therefore further work is required to ascertain the nature and demand for new employment floorspace in this location, to help determine the quantum of employment floorspace that should be allocated on the site and to test whether there is sufficient justification for the potential environmental impact. In determining where on the site the employment floorspace should be allocated, careful consideration will be needed to assess the potential compatibility with adjoining land uses, due to visual/physical impact, noise, and hours and method of working.
- 12.5. The requirements for marine and maritime employment together with other potential employment uses on the site are also likely to change over the next 20 years. It will therefore be extremely important to be flexible over specifying the type and nature of employment opportunities to be provided throughout the development, to ensure flexibility to respond to both the changes and emerging opportunities in marine and other key industries that future might bring.
- 12.6. Increasingly there is a significant section of the workforce which works from home, and this is anticipated to grow, reducing the cost of accommodation to companies and reducing the need to travel for commuting (recent estimates suggest that this is around 15%). The layout and detailed design of the new housing should help to support this trend. This will include ensuring high speed internet connections to every dwelling.

13. Traffic and Transport

- 13.1. Tipner is in a highly accessible location, being close to the motorway network and connected to the city, and the mainline railway station by the adjacent park and ride facility.



Figure 7 - Park & Ride - John K Thorne Photography Creative Commons Attribution 2.0 Generic license.

- 13.2. The Strategic Development Area would be accessed via the new junction off the M275 which also serves the park and ride facility. The junction was designed in anticipation that development at Tipner West would at some time come forward together with an extension to the Park and Ride, but at the time it was recognised that the capacity of this junction is likely to limit the quantum of development achievable at Tipner. This junction has been identified in the first stage of the Local Plan Transport Assessment as being a potential traffic 'hot-spot', so further investigations will be required to ascertain the current capacity of this junction and what if any mitigation measures might be required at this location or on any other part of the local highways network adversely affected by the development. This work will need to be undertaken to test the various scenarios including the traffic impact of a Super Peninsula.
- 13.3. It is currently proposed to link the site into the developing Bus Rapid Transport (BRT) system, which will improve access to the City Centre. To facilitate this a new road and pedestrian bridge will need to be constructed alongside the M275 to link Tipner with Horsea Island. It would be essential that the new bridge/ link road is built, as without it the development of Horsea cannot take place. However, measures will need to be put in place to ensure that it does not create a 'rat run' from Port Solent to the M275.



Figure 8 - M275 bridge

- 13.4. In developing proposals for the Strategic Development Area it will be important to establish a movement strategy which explores the existing links to adjoining land uses, including access to the proposed country park. Safe and convenient routes to nearby destinations such as the secondary school, the leisure centre, shops and health care facilities should be provided, wherever practical as part of the development proposals.

14. Flood Risk

- 14.1. There is a requirement to ensure that the current sea defences on the site are strengthened and enhanced, including a need to raise the level of the land. Ultimately they will need to be effective, but, in designing the most appropriate means of securing the safety of the new community, the appearance and impact on the environmentally sensitive foreshore should also be a key factor.
- 14.2. It will also be important to understand the timing and phasing requirements of when the new sea defence work would need to be in place.
- 14.3. Due to the scale and location of the development it will be a policy requirement that SuDS to contain and manage surface water run off on the site is prepared in consultation with the Environment Agency and submitted with the first outline application. This is likely to include a system of swales and retaining ponds, which should be designed for their functional effectiveness, and also their potential visual attractiveness, and contribution towards enhancing bio-diversity on the site.

15. Community Facilities

- 15.1. As this is a key strategic site it would need to accommodate a mixture of housing types to meet housing needs. This will result in a range of different house types

and tenures expected to be built across the site, to meet a wide range of housing needs, this will inevitably lead to a socially rich and diverse community. To ensure that that this creates a vibrant and cohesive community a range of community infrastructure would be required to support the new neighbourhood.

- 15.2. Given the scale of development it is envisaged that the scheme should include a new primary school, some limited retail to meet the day to day needs of the new community, and a new multi-purpose community centre. There will also need to be a range of recreational and play facilities, the location and extent of which can only be determined after the number and types of dwellings has been established.

16. Visual Impact

- 16.1. The site is visually sensitive, and can be seen from both the historically important Portchester Castle and from Portsdown Hill. Special care would therefore be required to ensure that the layout and design of the new development is properly integrated into its landscape setting.
- 16.2. Tipner has its own historic interest including several listed buildings and listed wall, the setting of which should be protected and enhanced. The layout and design of the Strategic Development Area should reflect the historic maritime past of the area.



Figure 9 - Tipner Point listed powder magazines - Photo © David Dixon (cc-by-sa/2.0)

- 16.3. It would be an explicit requirement of the policy that the new development achieves high standards of contemporary design. Design Codes may also be required to ensure a consistent and cohesive approach to design quality across the whole development area.

17. Constraints

- 17.1. The biggest potential constraint on the successful development of Tipner is the presence of the internationally important SPA. If the full potential of Tipner is to be

realised, then a strategy will be required which turns those constraints into opportunities to create an exemplar of environmentally friendly sustainable development.

- 17.2. There are a number of constraints known to be present on site itself; this includes the potential contamination from the historic use of the site and current industrial and waste uses, and also from the MoD firing range. Further investigations will be required to establish the full extent and nature of any contamination, together with a package of mitigation measures to either remove or contain the sources of contamination.
- 17.3. Noise from the motorway is also a potential constraint, but early studies have indicated that this can be effectively addressed through the careful disposition of land uses, and buildings to screen and baffle the sources of noise, and through the layout and design of the buildings themselves.

18. Viability

- 18.1. Ensuring viability will be crucial to the successful delivery of the Strategic Development Area, and is likely to vary significantly depending on which option is chosen. Testing whether an option is both viable and deliverable will be an essential part of taking this scheme forward. As part of this process it will be important for the Local Planning Authority to identify any potential funding gaps, and to explore whether there are any sources of outside funding which might close the gap, i.e. LEP funding.
- 18.2. Assessing viability for a large scheme such as the development of the Strategic Development Area at Tipner is a complex iterative process. It is not a simple case of calculating all the costs of laying out the site, providing the necessary infrastructure, and mitigation measures, and comparing them against the value of the completed development. Crucial to the financial viability will be an assessment of the dates by which the relevant infrastructure and mitigation would need to be in place, and how this relates to the commencement of development and subsequent rate of delivery. If there are heavy up-front costs and any significant delays in building houses, then this would affect the viability of the whole scheme.
- 18.3. At this stage not all of the costs can possibly be known, especially as the full package of mitigation measures has yet to be agreed and costed, and further work on the viability of the scheme will be needed at every stage of the plan production. However, to progress the scheme through the Local Plan process, it will need to be demonstrated that there is a reasonable prospect that the proposals are both viable and deliverable in accordance with national planning practice guidance.
- 18.4. Viability can change over time as interest rates vary, construction costs rise, and house values change etc., therefore, ongoing detailed viability work will need to

accompany future stages of the development. It will not be until further in the development process that the full costs of providing all the necessary infrastructure and mitigation measures can be determined, together with the required phasing of all the necessary infrastructure.

- 18.5. Central to the issues of viability will be the extent to which all the land within the boundaries of the Strategic Development Area would be made available. This will require further discussions with the relevant land owners and occupiers, including the potential to relocate the Harbour School currently occupying part of the site.

19. Phasing

- 19.1. Phasing will be key to the effective delivery of Tipner. It will be essential to ensure that up-front infrastructure and mitigation costs do not adversely affect the viability of the scheme. Proposals for delivery will need sufficient certainty to provide all parties, including the Council and local community, with the confidence that proposals, including all the necessary social and physical infrastructure, will be delivered in a timely fashion.

- 19.2. In summary, in order to take the Plan forward it will be necessary to establish:

- The current condition and potential impacts on ecologically sensitive Portsmouth Harbour Special Protection Area and Brent Goose feeding sites, and establish an inclusive process to develop an effective mitigation and compensation strategy;
- A land budget, and preparation of a concept masterplan which shows the disposition of the various land uses across the site;
- The justification and location of the marine employment opportunities, including an assessment of the likely level of demand for this type of employment use;
- The exact location and extent of any land reclamation. Together with an understanding of the costs and timing of the reclamation works;
- Land ownership and land assembly, including the potential relocation of the Harbour School;
- The Green Infrastructure requirements, including, public open space, out-door play and recreational facilities, and access to the waterfront;
- The need for improved flood defences, their costs and timing, and any opportunities arising from their delivery;

- The development of a policy level SuDS Strategy;
- The capacity of existing infrastructure, including utilities, and community infrastructure such as secondary schools;
- The impact and mitigation of noise, primarily from the M275;
- The phasing and delivery of key infrastructure, including all utilities, flood defences and on-site highways infrastructure linking to the M275 and the relationship between Tipner East to Tipner West;
- A more detailed Transport Assessment to identify the impacts of the potential increase in traffic, and propose any necessary mitigation measures
- The need for new walking and cycling links throughout the surrounding area and key destinations;
- The appropriate mixture of uses and layout of Horsea Country Park, including enhanced links, including the new bridge and road and pedestrian link;
- That adequate and safe access can be provided for all relevant adjoining uses including the secondary school, health facilities, and the Household Waste Recycling Centre: Potential contamination issues on site and remedial work necessary before development could proceed;
- Any visual impact of development from key viewpoints, Portchester Castle and the wider Portsmouth Harbour
- Impact on the historic environment
- A high level viability assessment
- Phasing of development, including the potential for existing uses to remain on the site in the medium term

20. Tipner Strategy Plan

20.1. This plan sets out some key parameter matters currently being considered as part of the options for Tipner.

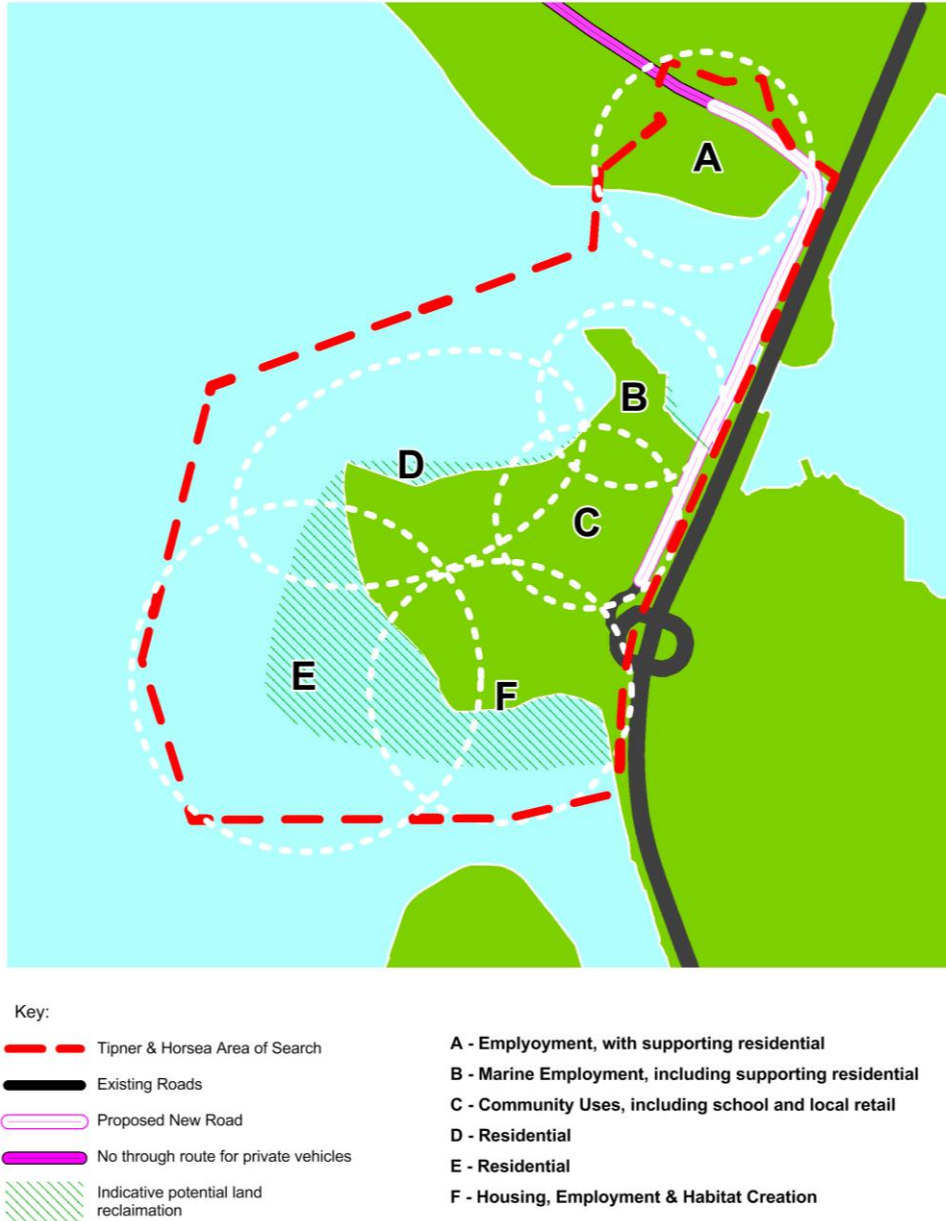


Figure 10 - West Tipner & Horsea Reg 18 Strategy Plan

20.2. The red line indicates the area of search for the regeneration project.

20.3. The hatched area indicates the potential area which could be reclaimed as part of the "Super Peninsula" option.

20.4. Areas A-F set out the broad mixture and distribution of uses which could be accommodated across the site.

21. Questions

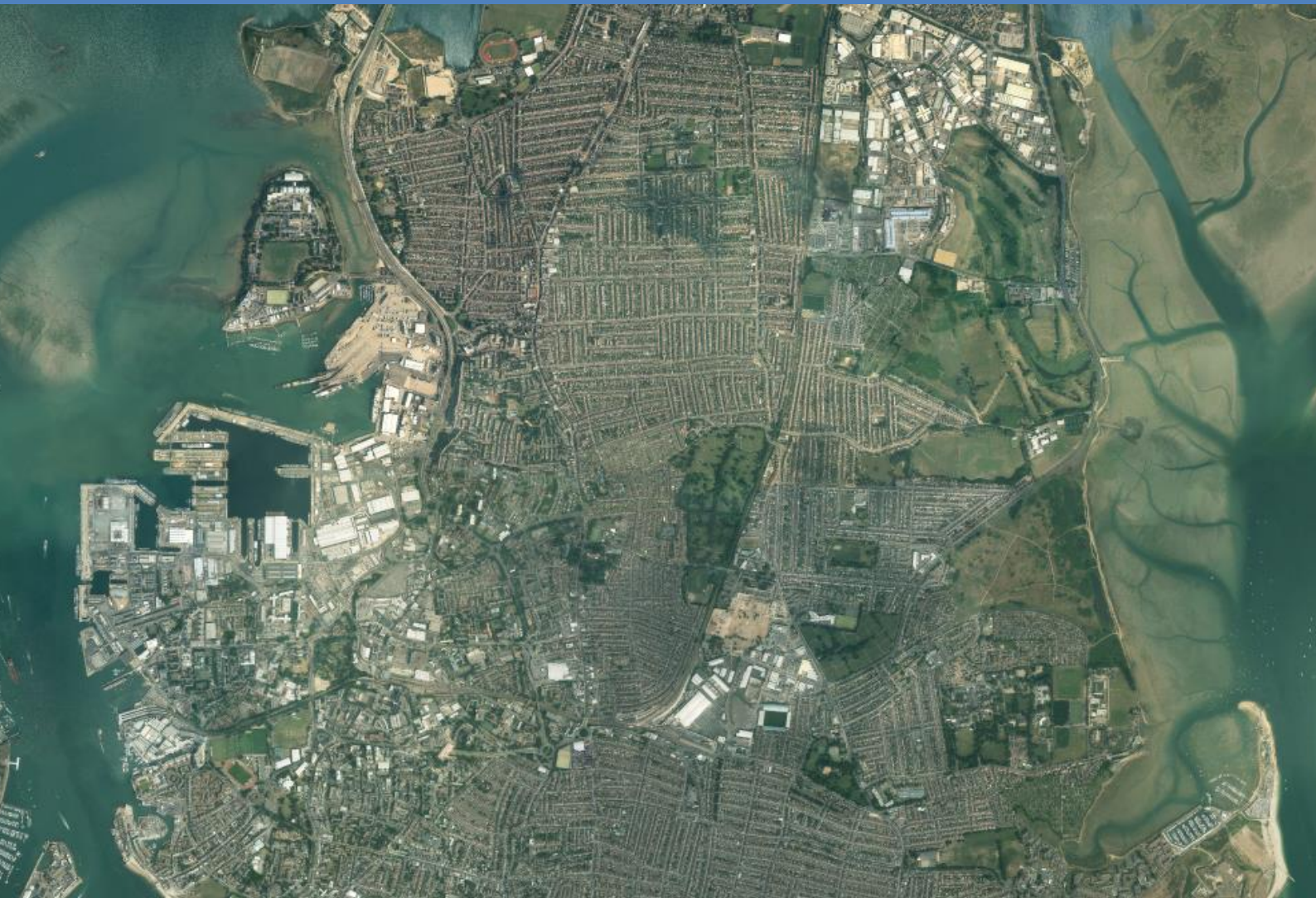
Do you agree with the description of the area, the characteristics and the constraints? Have we missed anything? Would you describe anything differently?

- Q 1. Do you agree with the main issues and challenges described in this document? What would you describe differently?
- Q 2. Do you agree with the proposed Vision for the Tipner Strategic Development Area?
- Q 3. Do you agree with the summary of issues to be considered in more detail? Have we missed anything? Would you describe anything differently?
- Q 4. What do you think of the Super Peninsula concept? What do you think of the potential advantages and impacts as described in this document? What would ultimately be needed to take it forward?
- Q 5. Do you have any comment on the Strategy Plan at this stage?

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Portsmouth City Local Plan



CONSULTATION DOCUMENT

February 2019

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1. Introduction

- 1.1. The purpose of this document is to summarise work which has been produced for the new Local Plan and seek the views of the public and other key stakeholders on the work contained in a number of evidence studies. . The main aim is to provide an update to the council's evidence gathering on key issues. The intention is for a full draft Local Plan to be published for comment later in 2019; this will include the vision for Portsmouth, objectives for the Local Plan and the proposed approach to strategic planning matters for the city. The draft Local Plan will take into account all of the views received in the previous *Issues and Options* consultation as well as this evidence base consultation.
- 1.2. The new Local Plan for Portsmouth will set out the planning strategy for meeting future development needs in the city for the period up to 2036. For example, it will identify the amount of housing that is needed and where it will be built. It will also protect various areas such as open space and conservation areas. It will contain a vision and maps and details of what type of development can happen and where.
- 1.3. The preparation of the new Local Plan will be accompanied by Sustainability Appraisal to assess the extent to which the Plan will help to achieve relevant environmental, economic and social objectives, and a Habitats Regulations Assessment to determine any likely impacts of the Plan's policies and site allocations on internationally protected natural assets.
- 1.4. Once adopted, the Local Plan will replace existing planning policy documents and form the basis for taking decisions on planning applications. The Local Plan sits alongside the National Planning Policy Framework, which sets out Central Government's planning policies, and with which the Local Plan should be consistent.

2. Accompanying Consultation Documents

- 2.1. This document summarises the key evidence from a range of evidence studies. They are listed below, along with a number of emerging background papers -

Housing and Economic Land Availability Assessment (HELAA)

The HELAA sets out how the technical exercise of identifying and evaluating land for its potential to deliver development for housing or economic purposes has been undertaken. It does not allocate land for development.

Housing Needs Study

This document provides the evidence on the different types of housing need in the city. It considers the size, type and tenure of homes, including the need for specialist housing for particular groups, such as wheelchair users.

Gypsy and Traveller Needs Assessment

This document sets out the results of an investigation into the needs for gypsy travellers and travelling showpeople for permanent pitches and plots in the city.

Employment Land Study

This document sets out the most recent evidence on employment land needs in the city to 2036. It also provides a supplement to the *Business Needs, Site Assessments and Employment Land Study* consulted upon in 2017.

Open Spaces Assessment

This document contains an independent assessment of the amount and quality of open spaces across the city.

Transport Assessment Evidence Review

This document is a review of existing high level analysis to support assessment of strategic sites in the city and identification of key issues, constraints and opportunities. It is the first stage in a full Transport Assessment to accompany the new Local Plan.

Retail Background Paper

This document sets out the most recent evidence available on retail needs and the health of the city's retail centres.

Green Infrastructure Background Paper

This document sets out how the city's green infrastructure can be protected and strengthened.

Heritage Background Paper

This paper sets out the Council's approach to heritage issues when considering development.

Housing Needs and Housing Targets Update

This paper provides an update to the *Housing Needs and Housing Targets* paper produced in 2017. It brings together the available evidence on housing need.

Biodiversity Background Paper

This paper detail's the city's ecological networks and the existing strategies in place to minimise impacts on biodiversity, and considers how net gains in biodiversity could be delivered.

- 2.2. In addition, the Council has prepared a document setting out progress sin considering options for the regeneration of Tipner and Horsea.
- 2.3. PUSH documents

In addition to the above documents, the city council is a member of the Partnership for Urban South Hampshire (PUSH), which was set up to support the sustainable growth of the sub region and to enable a co-ordinated approach to strategic planning matters. The following documents are available on the PUSH website and are relevant to the new Portsmouth Local Plan-

Integrated Water Management Study (June 2018)

This study considers the capacity of water infrastructure to serve anticipated new development across the PUSH area to 2036. It has been prepared with input from water companies, the Environment Agency and Natural England. The final version was endorsed by the PUSH Joint committee at their meeting of 5 June 2018.

PUSH Air Quality Impact Assessment (October 2018)

This report contains the results of an assessment of air quality impacts to support the PUSH local planning authorities in carrying out their reviews of the spatial strategy for the area. It was endorsed by the PUSH Joint Committee at their meeting of 15 October 2018.

- 2.4. Comments are welcome on all the documents published as part of this consultation.

3. How to Get Involved - Responding to the Consultation

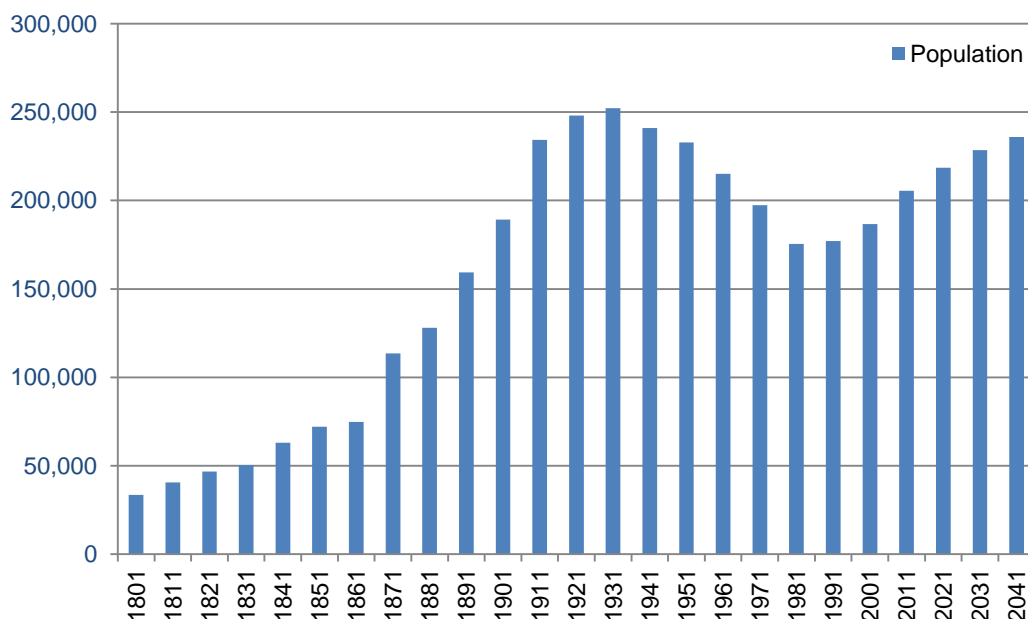
- 3.1. Comments can be made on this evidence summary and the accompanying supporting material from 11 February to 25 March 2019. All the documents are on the Council's website. Paper copies of this document and the supporting documents are available to view at the local libraries and at the Civic Offices. The main consultation document will be available at community centres and housing offices.
- 3.2. This document contains a series of questions to help people think about the new Local Plan. It is not essential to answer all questions.
- 3.3. If you would like to make comments on the contents of this document please complete the online questionnaire or submit a formal response form.

- 3.4. All comments received in this consultation will be reported to Members and considered in the next stage of the new Local Plan.
- 3.5. Responses should be returned to the Council using the questionnaire form provided. Electronic responses are preferred and you can respond using our online questionnaire or by emailing a completed response form to: planningpolicy@portsmouthcc.gov.uk. Alternatively you can return them by post to Policy and Conservation, City Development and Cultural Services, Planning Service, Portsmouth City Council, Civic Offices, Guildhall Square, Portsmouth PO1 2AU.
- 3.6. If you have further queries about this document please contact us using the email address above.
- 3.7. While the Local Plan is being prepared there will be a range of other projects being considered by the Council. Those projects will be subject to their own consultation processes as appropriate.

4. Overall Housing Need

- 4.1. The city is growing. The population is predicted to increase significantly over the coming years.
- 4.2. Over time, it's worth noting that the city's population has gone up and down - the population hit a peak around 1930 but like many other urban areas the population declined in the following decades until it began to recover in the 1980s. It is currently predicted to continue to return towards its pre-war peak.

Figure 1 - Portsmouth's population 1801-2041



- 4.3. Under national planning policy, the starting point for considering the need for housing is to use the government's standard method for assessing Local Housing Need. National planning guidance states any other method will be used only in exceptional circumstances. The standard method relies on two main elements -
- **Household projections** - the anticipated increase in the number of households which will form in the city, and
 - **An adjustment for affordability** - this is an additional uplift based on the ratio of house prices to incomes in that area. The bigger the ratio, the greater the addition.
- 4.4. Using the standard method results in a local housing need of 863 homes per annum. Over the whole plan period of twenty years, this is 17,260 new homes. That is the starting point for overall housing needs which the new Local Plan must address.
- 4.5. Further information on housing needs is contained in the Background Paper Housing Needs and Housing Targets Update.

Question 1

Q1.1 Do you agree with the assessment of housing need using the standard method?

Q1.2. Do you think there are any exceptional circumstances which means the housing need should be calculated in a different way?

Q1.3. Do you have any other comments on the contents of the Background Paper Housing Needs and Housing Targets Update?

5. Gypsy and Traveller Needs

- 5.1. As well as planning for the housing needs of those in bricks and mortar accommodation, the Local Plan should also consider the needs of travelling communities. The Council is required to undertake an assessment of need for Gypsy, Travellers and Travelling Showpeople accommodation and to identify suitable sites to meet this need.
- 5.2. There are distinct differences in the culture of Gypsies and Traveller and Travelling Showpeople, therefore the national *Planning Policy for Traveller Sites* provides two separate definitions:

Gypsies and Travellers:

"Persons of nomadic habit of life whatever their race or origin, including such persons who on grounds only of their own or their family's or dependants' educational or health needs or old age have ceased to travel temporarily, but

excluding members of an organised group of travelling showpeople or circus people travelling together as such."

Travelling Showpeople:

"Members of a group organised for the purposes of holding fairs, circuses or shows (whether or not travelling together as such). This includes such persons who on the grounds of their own or their family's or dependants' more localised pattern of trading, educational or health needs or old age have ceased to travel temporarily, but excludes Gypsies and Travellers as defined above."

- 5.3. The City Council commissioned a Gypsy and Traveller Accommodation Assessment (GTAA) in 2018 which considers the accommodation needs of travelling communities and quantifies the need for pitches and plots in the City during the Plan period.
- 5.4. The GTAA sought to engage with the travelling community in Portsmouth to understand current provision in the city as well as future need. The Assessment concluded that there is a need for zero permanent pitches and zero permanent plots by 2036.
- 5.5. The GTAA also considered the need for provision of transit sites during the Plan period. The Assessment identified a need for zero transit sites in the city by 2036.
- 5.6. Despite the findings of the GTAA, it is acknowledged that there is still a need for the Local Plan to plan positively and manage development. Therefore the Plan will include a criteria-based policy setting out how the Council will consider planning applications for Gypsy, Traveller and Travelling Showpeople sites when they arise.
- 5.7. Further information is set out in the Gypsy and Traveller Accommodation Assessment.

Question 2

Q2.1. Do you agree with the findings of the Gypsy and Traveller Accommodation Assessment that there is no current need for sites in Portsmouth?

Q2.2. If not, how is the study incorrect?

Q2.3. Do you have any other comments on the contents of the *Gypsy and Traveller Accommodation Assessment*?

6. Employment Needs

- 6.1. Portsmouth's island geography, history and local demographics affects demand, investment and the type of economic activity that takes place in the city; to date this

has resulted in key sectors in defence, manufacturing, marine industries and tourism.

- 6.2. The city forms a part of the wider 'M27 Corridor' and Solent economies; growing economic sub areas led by the success of the marine and maritime industries and developing technology sectors. Here Portsmouth has the key advantage of the International Port, HM Naval Base and other key waterside sites (including Trafalgar Wharf, Port Solent and The Camber). Portsmouth City Council is one of the city's major employers alongside the HM Naval Base, the University of Portsmouth, Airbus, BAE systems and Pall Europe. Lakeside Northharbour Business Park in Cosham offers a premier office, research and development space which draws businesses from across the sub-region, while the city's industrial estates support a range of sectors.
- 6.3. In 2015/16 the University of Portsmouth contributed around £1.1. billion to the British economy and its students brought in £275 million to the city as well as adding vibrancy to the life of the city; its activities, including research and consultancy services, training, student placements, start-up business support and open days, provide further support to the Portsmouth economy. The city's economy is also boosted by its tourism and cultural offer.
- 6.4. Portsmouth is an important centre for work for the wider area and over 13,000 more people commute in to work than leave to work elsewhere each day.
- 6.5. In 2016 the Council commissioned a *Business Needs, Site Assessments and Employment Land Study*. That document contained an overview of the employment land market in Portsmouth city and across South Hampshire. It also set out some information on occupier needs and predictions for future demand. The study also included a site-by-site assessment of the current employment land in the city and assessed its current and future suitability for employment uses. The document was published as part of the Issues and Options consultation for comment in the summer of 2017.
- 6.6. The Council has since commissioned an *Employment Land Study*. Part 1 is published in support of this consultation document. The study considers the strategic employment sites of Lakeside, the city centre and Tipner and Horsea.
 - Regarding Lakeside, the study concludes the primary opportunity is the consolidation and expansion of its existing business park function. This should be supported and encouraged by the City Council. Proposals that include complementary uses should also be supported where it is demonstrated that the complementary uses would enhance the business park function and support the primary office use of Lakeside.
 - Regarding the City Centre, the study states that the Council should continue to promote and encourage office development and growth in the City Centre.

- Regarding Tipner and Horsea, the study notes that the marine industry represents a key opportunity for maine and maritime industries and states that the targets in the City Deal of 55,000 sqm of floorspace should be seen as the initial target for Tipner West and Horsea Island East, though if, through the masterplanning process opportunities for further employment land is available, these should be pursued.
- 6.7. The study also contains individual appraisals of six sites that were not assessed by the original Business Needs, Site Assessments and Employment Land Study to provide a comprehensive assessment of the quality of the employment floorspace in the city.
- 6.8. Overall, the study concludes the general principle of protecting and supporting the existing array of employment areas should be continued. Therefore, a strong argument demonstrating that employment uses are no longer appropriate on the sites should be required to release employment areas for other uses.
- 6.9. Further information is set out in the *Business Needs, Site Assessments and Employment Land Study* and the *Employment Land Study* (part 1).

Question 3

Q3.1 Do you agree with the conclusions in the Employment Land Study part 1?

Q3.2 If not, how is the study incorrect?

7. Transport

- 7.1. Transport is a key issue for the city, both now and into the future. To inform the new Local Plan, a Transport Assessment is being undertaken. That process will include using transport modelling and local experience to determine what the current transport issues are, how transport impacts can be mitigated and what the opportunities are for improving matters.
- 7.2. The Council is working with consultants Systra on this project. As a starting point, they have produced a *Transport Evidence Review* published in support of this document. The review sets out a review of existing work to support assessment of strategic sites in the city and identification of key issues, constraints and opportunities.
- 7.3. The document sets out key evidence to date, including the evidence studies produced for the previous two local plans, transport evidence prepared for planning applications at key sites such as the city centre, Lakeside, and St James Hospital, as well as other relevant documents prepared by the Council and others. It then outlines a number of key areas across the city and identifies congestion "hotspots" near each.
- 7.4. A brief summary of the areas and identified congestion hotspots is as follows. The list of hotspots has been compiled using a variety of sources and will be reviewed as the work continues. It should be noted that the hotspots have been identified due to their proximity to these potential areas of change - not because any congestion currently experienced is wholly due to those areas.

Table 1 - strategic sites, areas of change and identified congestion hotspots

Locality	Identified congestion hotspots
Tipner, Port Solent and Horsea Island	<ol style="list-style-type: none"> 1. M275 / Tipner Lane interchange 2. A27 / Port Way 3. Twyford Avenue / A3
Lakeside Business Park	<ol style="list-style-type: none"> 1. Marriott Junction 2. Portsbridge Roundabout 3. North Harbour Roundabout
Portsmouth City Centre	<ol style="list-style-type: none"> 1. Church Street Roundabout 2. Hope Street Roundabout 3. Marketway Roundabout 4. Lake Road / Cornmill Street 5. Lake Road / Holbrook Road 6. A3 / Unicorn Rd / Alfred Rd 7. A3 / Queen St / Bishop Crispian Way

Locality	Identified congestion hotspots
St James Hospital and Langstone Campus	<ol style="list-style-type: none"> 1. Milton Road / St Marys Road / Baffins Road Roundabout 2. Milton Road / Velder Avenue 3. Milton Road / Locksway Road 4. Milton Road / Goldsmith Avenue 5. Goldsmith Avenue / Priory Crescent
Portsmouth International Port	<ol style="list-style-type: none"> 1. Rudmore Roundabout 2. Stubbington Avenue / London Road 3. London Road / Kingston Crescent
Southsea Seafront	<ol style="list-style-type: none"> 1. Winston Churchill Ave / Isambard Brunel Rd 2. Marmion Rd / Kent Rd 3. Osborne Rd / Portland Rd 4. Kings Road Roundabout 5. Hampshire Terrace / St Michael's Rd

- 7.5. Other areas subject to congestion are known to the Council and will be investigated further as the transport assessment progresses. These include the junctions of the A2030 with Moorings Way and Milton Road. The study then goes on to outline the potential mitigation schemes which have been proposed to date. This work will be reviewed as the transport assessment progresses.
- 7.6. Particular attention is given to the current position at Tipner. The document includes a high level review of the Tipner - Horsea bridge link proposals which were part of the concept in the previous local plan, and some initial thoughts as to future technical work required to consider the emerging proposals for the site, including reviewing the capacity of the existing motorway junction.
- 7.7. Finally, the document outlines the way forward for the technical work. This will involve the use of strategic transport modelling to test the impacts of potential development and then inform the identification of locations and options for transport improvements. This work will be published and consulted upon in later stages of this work.
- 7.8. Further information is set out in the *Transport Evidence Review*.

Question 5

Q5.1 Do you agree with the methodology and conclusions of the Transport Evidence Review?

8. Open Spaces

- 8.1. Portsmouth is a densely developed city. The city has many significant open spaces which are important for the environment and to make the city a liveable place.
- 8.2. The Council commissioned an *Open Spaces Assessment*, which is published in support of this document. It contains a critical assessment of open space provision across the city and provides a starting point when considering their importance, distribution, potential for improvement and potential for other uses.
- 8.3. The study looked at the amount, quality and location of open spaces, and compared current provision with future needs. The study covers the period to 2034, but overall the findings are considered relevant for the plan period (which now runs to 2036). Very small spaces were excluded. In accordance with national guidance, open spaces were categorised as one of the following types -
- Amenity Greenspace
 - Provision for Children and Young People
 - Public Parks and Gardens
 - Allotments
 - Cemeteries
 - Natural and Semi-Natural Greenspaces
 - Civic Spaces.
- 8.4. Each open space was assessed according to a range of quality criteria. It is important to note that this represents an independent view of each open space. It does not necessarily reflect the views of the Council nor will it reflect the value placed upon each open space by the communities that use them. Nonetheless it is a helpful start in testing the quality of open spaces.
- 8.5. Key findings are -
- In terms of quality, most of the sites were assessed as "Good" or "Average".
 - For almost all types of open space, there is a current deficit based on the current and expected population
 - The distribution of open spaces is not even, for instance natural and semi-natural greenspaces are to the north and east of the city, and there is a lack of amenity greenspace in neighbourhoods such as Central Southsea and North End.
- 8.6. The report also contains over 50 recommendations for the Council to consider regarding the management, provision and planning of new open spaces.
- 8.7. Despite the open space deficit in the city, the poorest scoring open spaces were tested in the Housing and Land Availability Assessment to ensure the evidence base for the new Local Plan is appropriately considering all sources of supply to

meet development needs, in accordance with national policy. The results of this are explained in the document and set out in detail in that Assessment.

8.8. Further information is in the Open Space Assessment.

Question 6

Q6.1 Do you agree with the methodology and conclusions of the *Open Spaces Assessment*?

9. Housing and Economic Land Availability Assessment

9.1. The previous sections of this document have set out the current evidence on some of the competing needs for space in the city - for housing, for employment land, for open spaces. One of the main challenges for the new Local Plan is to balance these competing uses, particularly in a constrained area such as Portsmouth.

9.2. The starting point for considering how those competing uses are balanced, and the capacity of the city to accommodate development, is the production of a technical document called the Housing and Employment Land Availability Assessment. This sets out the results of a comprehensive look at the capacity of the city to meet development needs.

9.3. The document has been prepared in-house by council officers. It has been prepared following two public "call for sites" and discussions with key landowners. It is a necessary technical stage in understanding what could be delivered in the city by 2036. It does not allocate land for development or set out formal council policy on the use of the sites - the Local Plan will ultimately do that. However, it is an essential piece of evidence to ensure all sources of land have been considered in the production of the Local Plan.

9.4. In accordance with national planning guidance, the assessment takes a systematic look at all potential sources of development land. This is particularly important in a geographically constrained city like Portsmouth. The aim at this stage is not to allocate land for development - rather, it is to enable an assessment of the capacity of the city to be produced, and to inform the next stages in plan-making. Potential sources of supply include

9.5. Sites and schemes with planning permission.

- Sites and schemes previously identified in council documents (the 2014 assessment and the Council's proposed Allocations Plan in 2014)
- Sites proposed by landowners / developers following the call for sites

- Public sector land or property which may become surplus to requirements by 2036
 - Other sites included by officers to ensure the full capacity of the city is addressed in a transparent and comprehensive manner.
 - Windfall sites (small sites which are not specifically assessed)
 - A contribution from the delivery of bespoke student accommodation, in accordance with the government's standard figures.
- 9.6. In a city such as Portsmouth, with a shortage of new land becoming available for development, the onus is on the Council to investigate the potential for increasing the density of development. The assessment identifies areas where higher densities are considered to be desirable, due to their proximity to services and public transport, and also identifies the potential that individual sites have to accommodate tall buildings.
- 9.7. In accordance with national guidance, the assessment considers the potential for changes of use to ensure all potential capacity is considered. To guide that process, employment sites which were scored relatively poorly in the Business Needs, Site Assessments and Employment Land Study, and open spaces which were scored relatively poorly in the Open Spaces Assessment were also included in this assessment. This is not to say that sites scored in this way were automatically considered appropriate for development. Instead, those scored assessments were used to help identify a number of sites to include for further assessment in the assessment of capacity.
- 9.8. The findings of the Assessment are as follows - for housing, the assessed capacity of the city (including an assumption on the allowance to be made for student accommodation) is 14, 467 dwellings over the period 2016-2036. This includes an allowance for 1,200 homes at Tipner West and the Firing Range. This compares to a Local Housing Need (using the government's standard method) of 17,260, leaving **a shortfall of almost 2,800 homes.**
- 9.9. For economic land, the study identifies a capacity for schemes to deliver some 74,211 square metres of office floorspace and 82,749 square metres of floorspace for mixed business uses over the period 2016-2036. The targets for employment land are currently under review.
- 9.10. In all cases, the deliverability of these opportunities will be subject to review following consideration of responses to this consultation. Further work on the Plan will consider further the suitability and deliverability of the development opportunities identified here (and any others which arise following this consultation), including their potential environmental and other impacts and financial viability
- 9.11. Further information is set out in the *Housing and Economic Land Availability Assessment*.

Question 7

- Q7.1. Do you agree with the description of overall capacity of the city to deliver development?
- Q7.2. Do you have any comment on the methodology used?
- Q7.3. Have we missed any sites which should be assessed?
- Q7.4. Do you have any comments on any of the individual site assessments?

10. Other matters

- 10.1. In addition to the main studies outlined in this summary document, there are a number of background papers which have been produced to set out the emerging position on a number of areas. They are listed in the "Accompanying Documents" section at the start of this document. The purpose of this consultation is to gather view son the whole of the evidence base at this time and therefore comments on those background papers are welcome.
- 10.2. It is worth making clear that the contents of this paper are not the whole of the evidence base for the new Local Plan. Significant further work - on matters including the city centre, infrastructure, environmental impacts and development viability is required. The purpose of this consultation is to update all parties on progress to date and allow for views on the evidence to date to be gathered and inform future work.

Question 8

- Q8.1 Do you have any comments on the other documents produced in support of this consultation, or any other comments?

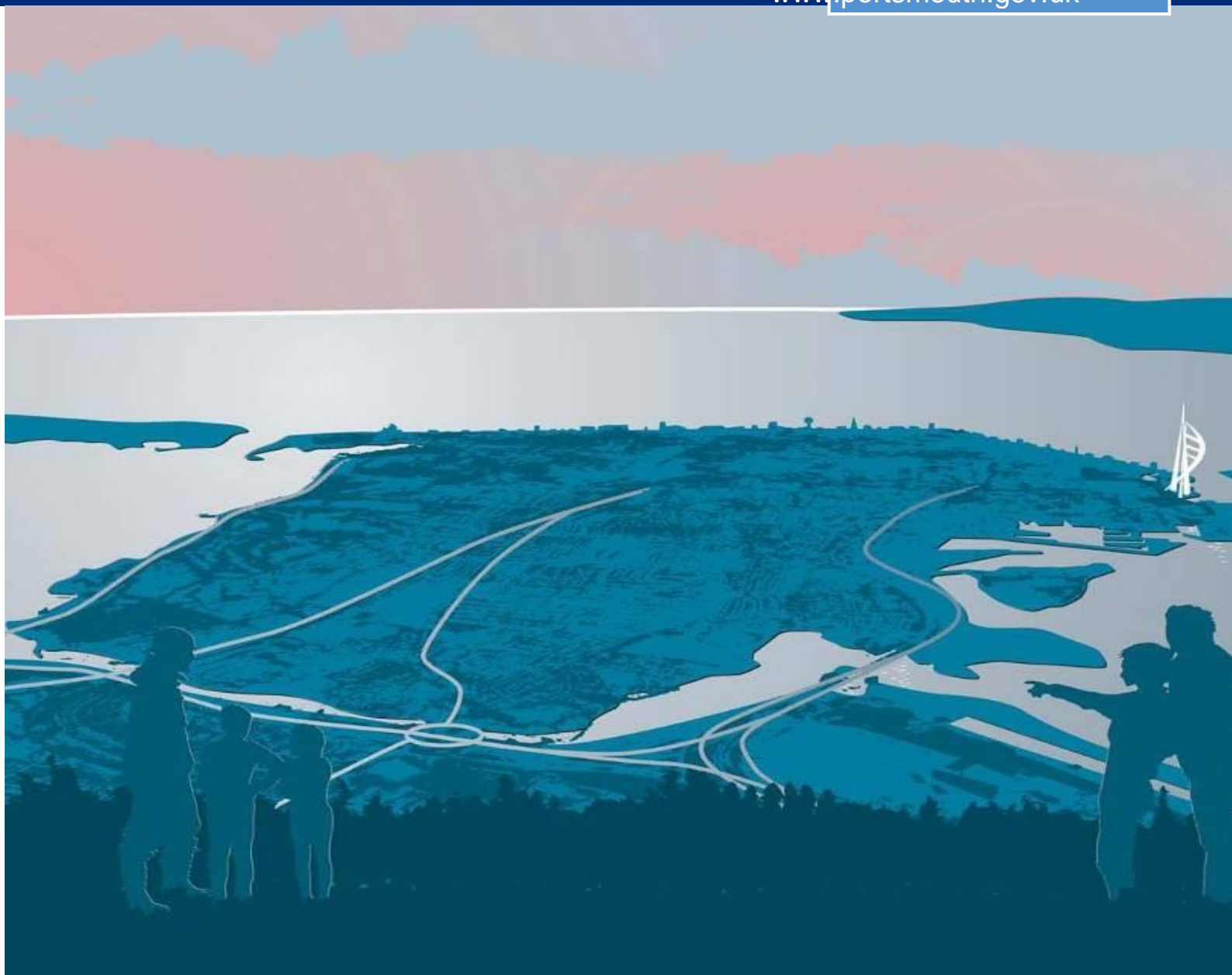
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Portsmouth Local Development Scheme

A timetable for the production of Portsmouth's Local Planning Policies

www.portsmouth.gov.uk



Portsmouth Local Development Scheme
A timetable for the production of Portsmouth's Local Planning
Policies

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1. Introduction

What is the Local Development Scheme?

1.1 Under the Planning & Compulsory Purchase Act 2004 the council have to produce a Local Development Scheme (LDS). This LDS has been produced to give local residents and other stakeholders information about:

- The plans that the city council will be preparing over the next three years
- The subject matter of those plans and the geographical areas they cover
- The timetable for the production and adoption of the plans

1.2 This LDS will be effective from February 2019.

The Local Plan Making System

1.3 The Localism Act 2011 seeks:

- the production of a Local Plan.
- a duty to cooperate with neighbouring authorities
- the introduction of neighbourhood planning

1.4 The city council cooperates extensively with neighbouring authorities across South Hampshire through the Partnership for Urban South Hampshire (PUSH). PUSH is a group of local authorities working together to address cross-boundary issues. The city council helps to meet its obligations under the duty to cooperate as part of PUSH.

1.5 There are a number of existing adopted planning policy documents, including the Portsmouth Plan Core Strategy, a Community Infrastructure Levy Charging Schedule, the Southsea Town Centre Area Action Plan (AAP) and the Somerstown and North Southsea AAP and the Hampshire Minerals and Waste Plan. The Portsmouth Local Plan currently being prepared will replace the Portsmouth Plan, the Southsea Town Centre, the Somerstown APP, the North Southsea APP and also the saved policies in the City Local Plan (2006).

2. Portsmouth's planning policy framework

- 2.1 Legislation requires planning applications to be determined in accordance with the 'development plan' unless material considerations indicate otherwise. Its different elements are set out below.

The current development plan

Title:	Portsmouth Plan (Portsmouth's Core Strategy)
Adoption date:	January 2012
Website:	http://www.portsmouth.gov.uk/living/planning
Description:	<p>The other planning policy documents are in compliance with the Portsmouth Plan. The Portsmouth Plan sets out the overall vision and objectives for the city.</p> <p>The plan contains policies for the development of strategic sites in the city including Tipner, Port Solent, Horsea Island, the city centre, Lakeside Business Park, Somerstown and North Southsea and Fratton Park as well as the city's district centres and seafront. There are also core policies seeking sustainable, high quality development together with a suite of development management policies. Each policy section sets out the mechanisms through which the proposals will be implemented as well as a monitoring framework.</p>
Title:	The policies map
Adoption date:	January 2012 (latest revisions)
Website:	http://www.portsmouth.gov.uk/living/16299.html
Description:	The policies map sets out all of the adopted local planning policies geographically. It will be updated as part of the new Portsmouth Local Plan.
Title:	Portsmouth City Local Plan saved policies
Adoption date:	July 2006
Website:	https://www.portsmouth.gov.uk/ext/development-and-planning/planning/the-portsmouth-plan-adopted-2012.aspx
Description:	The Local Plan covers the whole city and contains strategic policies, policies for determining planning applications and specific allocations for individual sites. Most of the plan has been replaced by the Portsmouth Plan but some development management and site allocation policies still apply.

Title: Southsea Town Centre Area Action Plan
Adoption date: July 2007
Website: <https://www.portsmouth.gov.uk/ext/documents-external/pln-area-action-plan-southsea-town-centre-jul07.pdf>
Description: This AAP covers Southsea town centre and redefines the centre in anticipation of development in the town centre. It contains policies on retail and town centre uses, traffic and access, design and heritage, the public realm and opportunity sites. It was adopted in 2007 as a ten year plan for the centre but is to be reviewed as part of a new Portsmouth Local Plan.

Title: Somerstown and North Southsea Area Action Plan
Adoption date: July 2012
Website: <https://www.portsmouth.gov.uk/ext/documents-external/pln-area-action-plan-somerstown-nsouthsea-jul12.pdf>
Description: This AAP covers the Somerstown and North Southsea part of the city and contains a vision and planning policies to support the regeneration of this area. It is to be reviewed as part of a new Portsmouth Local Plan.

Title: Minerals and Waste Plan
Adoption date: October 2013
Website: <https://www.hants.gov.uk/landplanningandenvironment/strategic-planning/hampshire-minerals-waste-plan>
Description: Portsmouth City Council, as a minerals and waste planning authority, has a statutory duty to prepare a Local Plan to guide the need for, and locations of, minerals and waste management development. The Council works jointly on minerals and waste matters with Hampshire County Council, Southampton City Council, New Forest National Park Authority and the South Downs National Park Authority ('the Hampshire authorities'). The Hampshire Minerals and Waste Plan sets out a spatial vision for future minerals and waste planning in Hampshire and includes site allocations. This has been supplemented by two SPDs on Oil and Gas Development and Minerals and Waste Safeguarding which provide additional guidance on the implementation of the of the HMWP relating to these issues.

Title:	The Statement of Community Involvement
Adoption date:	June 2017
Website:	https://www.portsmouth.gov.uk/ext/documents-external/pln-sci-2017-final.pdf
Description:	The Statement of Community Involvement (SCI) sets out how residents and other stakeholders can be involved in putting together plans for the future of the city and in determining planning applications.

Title:	Community Infrastructure Levy Charging Schedule
Adoption date:	January 2012
Website:	https://www.portsmouth.gov.uk/ext/documents-external/pln-cil-charging-schedule.pdf
Description:	<p>The CIL Charging Schedule sets a locally based infrastructure tariff giving developers more certainty over what they will have to contribute to support infrastructure development. It spreads the cost of providing infrastructure over a wide range of developments and provides a fund to put in the place essential infrastructure to support development. It replaces the Section 106 mechanisms in many cases, although the S106 regime continues for site specific infrastructure and affordable housing. A list of infrastructure which will be or may be provided through CIL is set out in the Regulation 123 list.</p> <p>The CIL charging schedule sits alongside the planning policy documents but does not form part of the statutory development plan.</p>

Supplementary planning documents

- 2.2 Planning policies within development plans set out the requirements for development proposals in an area. Development plan documents can be supplemented by Supplementary Planning Documents (SPDs), which provide greater detail on specific Local Plan policies, helping in their implementation. However, SPDs are only prepared when they are clearly justified and provide further guidance for development on specific sites or on particular issues. They are not part of the development plan but are a material consideration in the determination of planning applications.

2.3 The adopted Portsmouth SPDs are:

- Houses in Multiple Occupation (2018)
- Housing Standards (2013) and review briefing note (2015)
- Eastney Beach Habitat Restoration and Management Plan (2014)
- Parking Standards and Transport Assessments (2014)
- Student Halls of Residence (2014)
- Achieving Employment and Skills Plans (2013)
- Portsmouth City Centre Masterplan (2013)
- Tall Buildings (2012)
- The Hard (2012)
- The Seafront Masterplan (2010)
- Air Quality and Pollution (2006)
- Reducing Crime through Design (2006)
- Developing Contaminated land (2004)

2.4 Current SPDs can be viewed online from:

<https://www.portsmouth.gov.uk/ext/development-and-planning/planning/the-portsmouth-plan-adopted-2012>

2.5 Unless stated otherwise, the new Local Plan, once adopted, will supersede the existing SPDs.

The future development plan

2.6 The Council is reviewing its Local Plan documents. :

Portsmouth Local Plan This plan will set out the overall strategy and strategic priorities for accommodating development in Portsmouth. It will include strategic sites for housing, employment and proposals for other key land uses. It will replace the policies set out in the Portsmouth Core Strategy and those set out in the Southsea Town Centre and North Southsea and Somerstown AAPs. The saved policies in the 2006 Portsmouth City Plan will also be replaced by this new Local Plan.

Hampshire Minerals and Waste Plan Review The existing Hampshire Minerals and Waste Plan will be reviewed to ensure that its policies remain up-to-date and effective in order to maintain a reliable and timely supply of minerals and efficient management of Hampshire's waste.

Sustainability Appraisal

2.7 A Sustainability Appraisal (SA) assesses the likely social, economic and environmental effects of draft policies and proposals in planning policy documents. An initial framework for the sustainability appraisal of planning policy documents was developed in 2017 and published as part of the Issues and Options consultation. An SA is an iterative process that informs the development of the Local Plan as it progresses. Local Plan proposals will be revised to take account of the appraisal findings.

Supplementary Planning Documents (SPDs)

2.8 It may be necessary to revise existing SPDs, or prepare SPDs on new topics, as work on the new Local Plan progresses. Details on consultation on new and revised SPDs will be published on the Portsmouth City Council website.

3. The project plan

3.1 The following section sets out the timescale for each planning policy document that the council are intending to produce over the next three years. For each document, the following information is set out:

- the title of the document
- a brief description of its role
- a map of the area it will cover
- the plan's position relative to other policy documents
- projected dates for the milestones in the plan's preparation

3.2 The milestones in a Local Plan's preparation are as follows:

Preparation	This is often referred to as 'regulation 18' consultation under the 2012 regulations. This consists of one or more formal opportunities for stakeholders to comment on the content of the plan.
Publication	This is often referred to as 'regulation 19' or 'pre-submission' consultation. This is the publication of the plan in a form which the Council believe to be sound. There then follows at least a six week period for interested parties to comment on the plan. Such comments must specifically relate to the legal compliance and soundness of the plan.
Submission	This is when the plan is submitted by the council to the Secretary of State (regulation 22 of the 2012 regulations). The Examination of the Local Plan starts at this point.
Hearings	The most crucial time in the Examination is the hearings sessions (regulation 24 of the 2012 regulations), however plans can be examined purely through written representations. The hearings are roundtable discussions where the Inspector explores the issues the plan raises.
Inspectors report	The Inspector then issues a report on the Examination. This sets out whether the plan is legally compliant and sound. It also sets out any changes the council requests the Inspector to make to the plan in order for it to be found sound.
Adoption	The final stage in the process is the formal adoption of the plan by the council (regulation 26 of the 2012 regulations). From then on it forms part of the development plan.

Portsmouth Local Plan

The new Portsmouth Local Plan will set out the strategy for development in the city and identify strategic development sites to meet future development needs. It will allocate sites for housing, employment, retail and community uses where appropriate. It will also identify and designate areas to be protected from development. Once adopted it will replace the Portsmouth Plan, 2012 and the saved policies from the Portsmouth City Local Plan 2006.

Joint production? No

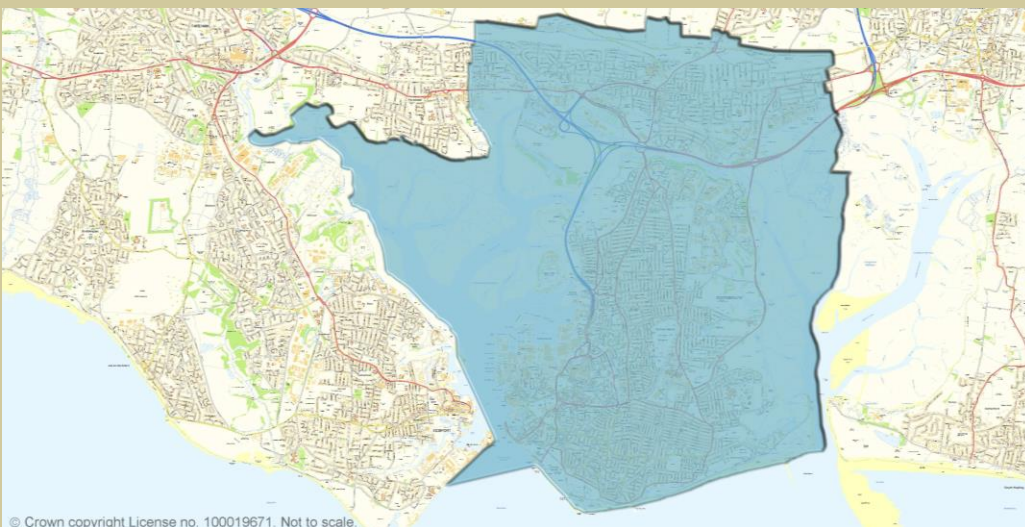
Chain of conformity

National policy	National Planning Policy Framework
Regional policy	The South Hampshire Position Statement (non-statutory)
Local policy	The Portsmouth Local Plan

Timetable for production

Preparation	Issues and Options consultation July 2017
Preparation	Local Plan Update consultation February 2019
Preparation	Draft Plan consultation December 2019
Publication	Proposed Submission Plan consultation June 2020
Submission	September 2020
Hearings	December 2020
Inspectors report	March 2021
Adoption	June 2020

Geographical coverage



Hampshire Minerals and Waste Plan

The existing Hampshire Minerals and Waste Local Plan (2013) is due for review in 2020. The Hampshire Minerals and Waste Local Plan seeks to ensure the Plan area has the right development to maintain a reliable and timely supply of minerals and efficient management of Hampshire's waste, whilst protecting the environment and communities. It will contain policies to enable minerals and waste decision-making as well as minerals and waste site allocations (for rail depots, wharves, quarries and landfill sites).

Joint production?	Yes - the plan will be prepared collectively by Portsmouth City Council, Hampshire County Council and Southampton City Council together with the New Forest and the South Downs National Park Authorities.
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Chain of conformity

National policy	National Planning Policy Framework
Regional policy	n/a
Local policy	The above authorities' Local Plans

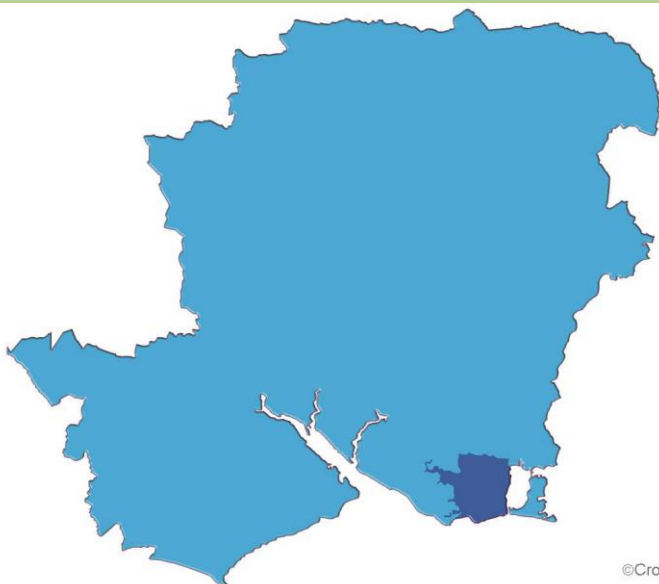
Timetable for production

Hampshire County Council (HCC) conducted an initial review of the Hampshire Minerals and Waste Plan in 2018. The report's recommendation, that the HMWLP does not require review at this time, was approved by HCC Full Council on 29th November 2018. It is instead proposed to review the HMWP again in 2020 to determine the effectiveness of the policies and to consider whether there is a need to amend the existing site allocations. In the interim, a clearer understanding may emerge around the key issues expected to impact capacity and demand. These recommendations are to be considered by Portsmouth's Planning, Regeneration & Economic Development committee on 26th February 2019 and by Full Council on 19th March 2019.

A Stakeholder Workshop is due to provisionally take place in 2019 to investigate the issues raised within the initial 2018 Review and how the trends within minerals supply and sustainable waste management provision are developing. A more detailed timetable will be published in due course and will be available from: <http://www3.hants.gov.uk/mineralsandwaste/planning-policy-home.htm> and will be reflected in future revisions to this document.

The review of the Plan will determine that either: the policies do not need updating, and publish the reasons for this decision; or that one or more policies do need updating and the Local Development Scheme will be updated to set out the timetable for this revision.

Geographical coverage



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4. Monitoring and review

- 4.1 The Authority Monitoring Report (AMR) will assess progress of development plan documents against the programme in this LDS. Any changes to the proposed programme will be reflected in an update to the LDS.
- 4.2 The AMR will identify any changes needed to the planned development documents. If there is a need for an additional document which is not in the LDS or there are further substantial regulatory changes, this LDS will be refreshed to incorporate this.
- 4.3 If you have any queries about the timetabling and progress of the planning policy documents, please get in touch with a member of the planning policy team.

Call us on: 02392 437863
Email us at planningpolicy@portsmouthcc.gov.uk
Write to us at Planning Policy
Regeneration Directorate
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language by calling
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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:

Regeneration

Service, function:

City Development, Policy Planning

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

New Portsmouth Local Plan

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?

The develop a strategic plan for meeting the future development needs of Portsmouth.

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

A new Local Plan covering Portsmouth will provide a framework for decisions on planning applications and therefore provide for meeting the development needs of residents, businesses and other organisations with an interest in Portsmouth and development within it. The process of developing the Plan will also involve consultation with other government organisations, other local government organisations and those with development interests in the city.

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?

The EqIA undertaken for the previous Local Plan "Issues and Options" consultation noted that The relatively poor responses by young groups in particular, as well as those over 75, will be considered more fully and future planning

consultation work will address how those groups may better engage with the Local Plan project. We are aiming to mitigate this with the production of more accessible materials and to undertake consultation events in locations which should improve chances for those groups to take part. In addition, releasing this evidence now, rather than waiting until the end of the Plan process, will make the consultation more accessible as it reduces the amount of material people may want to consider at any one time.

Although at this stage we are only publishing evidence for comment, it is acknowledged that one piece of evidence (the Gypsy and Traveller Accommodation Assessment) is of direct relevance to one equality group. Measures taken to mitigate impacts (by involving those communities) are outlined in the evidence. In terms of this consultation, the intention is to contact national / regional gypsy and traveller advocacy groups directly to ensure they are aware of the evidence and have an opportunity to comment before the policy is formulated.

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 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 or 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"/>

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	Nothing specific - the previous EqIA for the Issues and Options consultation included any relevant analysis.
Disability	Nothing specific - the previous EqIA for the Issues and Options consultation included any relevant analysis.
Race	See note on Gypsy and Traveller evidence study. The previous EqIA for the Issues and Options consultation included any relevant analysis.
Sex	Nothing specific - the previous EqIA for the Issues and Options consultation included any relevant analysis.
Gender reassignment	Nothing specific - the previous EqIA for the Issues and Options consultation included any relevant analysis.
Sexual orientation	Nothing specific - the previous EqIA for the Issues and Options consultation included any relevant analysis.
Religion or belief	Nothing specific - the previous EqIA for the Issues and Options consultation included any relevant analysis.
Pregnancy and maternity	Nothing specific - the previous EqIA for the Issues and Options consultation included any relevant analysis.
Marriage & civil partnership	Nothing specific - the previous EqIA for the Issues and Options consultation included any relevant analysis.
Other excluded groups	Nothing specific - the previous EqIA for the Issues and Options consultation included any relevant analysis.

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 Local Plan review is likely to have a positive effect on all groups in society given its aim to drive sustainable development, economic development and environmental impact.

The outcomes of the previous Local Plan Issues and Options consultation informed a full EqIA which was reported to Members and will inform the production of policies in the Local Plan. The intention is for the outcomes of this consultation to be subject to a full EqIA , be reported to Members and inform the emerging Local Plan in the same way.

Once the consultation responses have been received they will inform the production of a full EqIA which will be reported to members and will inform the production of the new Local Plan.

Q8 - Who was involved in the EIA?

Planning Policy Officers
Equalities Officer

This EIA has been approved by: Claire Upton-Brown

Contact number: 02392834299

Date: 24/01/2019

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 7



Portsmouth
CITY COUNCIL

Agenda item:

Decision maker: City Council

Subject: Portsmouth City Council - Budget & Council Tax 2019/20
& Medium Term Budget Forecast 2020/21 to 2022/23

Date of decision: 05 February 2019 (Cabinet)
12 February 2019 (City Council)

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

Wards affected: All

Key decision: Yes

**Budget & policy
framework decision:** Yes

1. Executive Summary

- 1.1 The key proposals within this report recommend a Budget for 2019/20 that provides for £4m of savings, a Council Tax increase of 4.49% (1.5% of which is raised specifically to be passported to Adult Social Care) and forecasts that the 3 year period beyond 2019/20 will require a further £7.5m in savings.
- 1.2 The proposals also seek to remedy the underlying budget deficits in both Adults and Children's Social Care, providing a sound financial base as the Council moves into a very uncertain period for Local Government funding from 2020/21 onwards.
- 1.3 The uncertainty presented from 2020/21 is due to a comprehensive overhaul of the Local Government funding system, it will determine a new formula methodology which will set each Local Authority's baseline funding level. Alongside this, a new system for retaining future Business Rate growth / loss will be implemented, taking away all existing growth and re-distributing that growth, nationally according to relative need (rather than where it was generated). For that reason, the Council's future forecast deficits could reasonably be expected to vary between +/- £3m.
- 1.4 During this unprecedented level of uncertainty, it is imperative that the Council continues to plan for savings of £2.5m per year, retaining reserves at the levels proposed in this report and retain the necessary financial resilience to be able to respond in all circumstances.
- 1.5 An Executive Summary of these key points and others is set out below.

EXECUTIVE SUMMARY

Context

- ❖ Since 2011/12 the Council will have made £102m in savings (48% of controllable spend)
- ❖ Government funding reductions have been the driving force behind the need to make £12m in savings over the period 2019/20 to 2021/22
- ❖ Adults and Children's Social Care represent 46% of controllable spend, provide services to the most vulnerable, experience the greatest cost pressures and have historically received significant protection from savings - resulting in proportionally higher savings across other Council Services
- ❖ The Autumn Budget has provided some short-term relief for cost pressures in Adults and Children's Social Care, but announced for 2019/20 only
- ❖ The Council's Medium Term Financial Strategy delivers necessary savings through income generation, economic regeneration and efficiency measures

Revised Budget 2018/19

- ❖ A Balanced Budget for 2018/19 accommodating all forecast overspendings in Adults Social Care, Children's Social Care, MMD and the costs of disposing of Victory Energy Supply Limited

Budget 2019/20

- ❖ Incorporates £4m of Savings as approved by Council in December 2018
- ❖ Accommodates Government funding reductions of £5.3m
- ❖ Provides additional funding for Children's Social Care of £4m plus details of their financial sustainability plan for the future
- ❖ Provides additional funding for Adult Social Care of £1.4m plus details of their financial sustainability plan for the future
- ❖ A Council Tax increase of 4.49%, of which:
 - 2.99% for general council services (at an inflation based level)
 - 1.5% (amounting to £1.1m) to be passported directly to Adult Social Care
- ❖ A Council Tax exemption scheme is introduced for Care Leavers, recognising the Council's Corporate Parenting role
- ❖ A Council Tax premium is introduced for long term empty properties to incentivise bringing empty properties into productive use
- ❖ The successful application to be a 75% Business Rate Retention pilot provides additional funding of £1.6m to be used to support essential Capital Investment

EXECUTIVE SUMMARY (Cont'd)

Future Forecast - 2020/21 to 2022/23

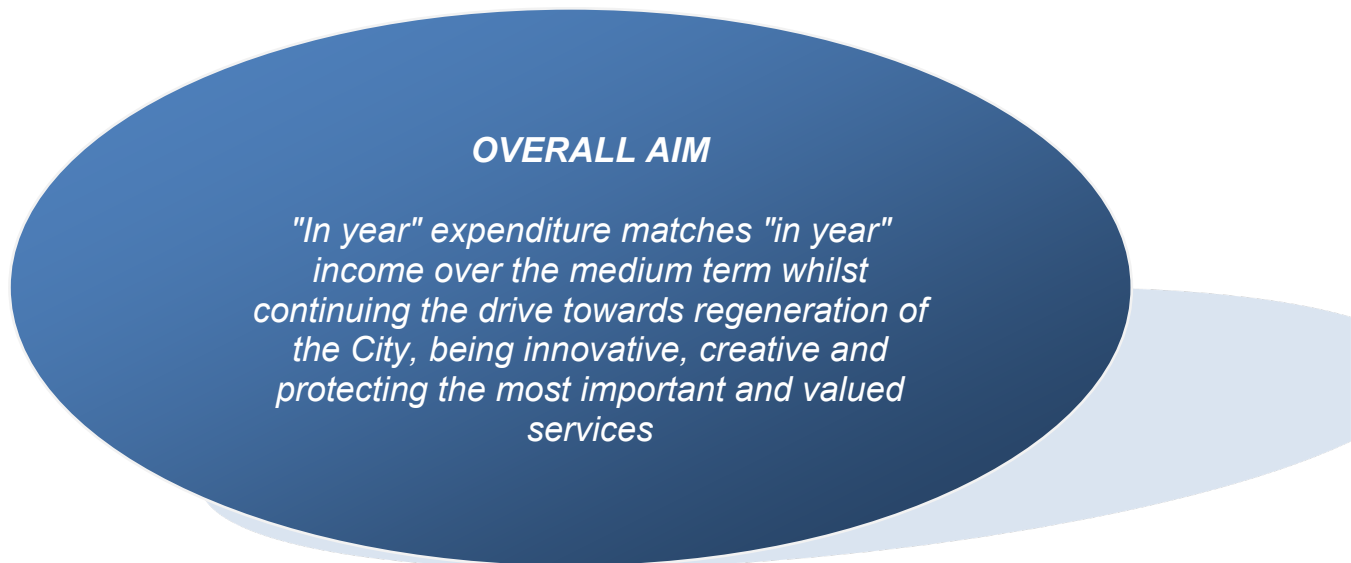
- ❖ New forecast for the new 3 Year Period (now extended to 2022/23) is a £7.5m deficit
- ❖ New forecast is subject to unprecedented uncertainty due to the forthcoming Comprehensive Spending Review, Fair Funding Review and the 75% Business Rate Retention Scheme and could vary by +/- £3m
- ❖ Proposed that Savings are phased evenly at £2.5m p.a over the next 3 years beyond 2019/20
- ❖ Balanced approach to savings if the forecast proves to be too pessimistic or too optimistic. Savings of £2.5m p.a. ensure that for any improvement in the forecast, the Council has not prematurely made a level of savings that could have been avoided and for any deterioration good progress towards the necessary savings will have been made

Conclusion

- ❖ Balanced Budgets for both 2018/19 and 2019/20
- ❖ Council's financial health is sound, and the Council remains well placed to face the future uncertainty for Local Government funding

2 Purpose of Report

- 2.1 The primary purpose of this report is to set the Council's overall Budget for the forthcoming year 2019/20 and the associated level of Council Tax necessary to fund that Budget.
- 2.2 The report makes recommendations on the level of Council spending for 2019/20 and the level of Council Tax in the context of the Council's Medium Term Financial Strategy with its stated aim as follows:



- 2.3 The recommended Budget for 2019/20 has been prepared on the basis of the decisions taken by the City Council on the 11 December 2018 relating to:
- An increase in the level of Council Tax for 2019/20 for general purposes of 2.99%
 - A continuation of the opportunity to increase the level of Council Tax for an "Adult Social Care Precept" within the limits set by Central Government (i.e. a 1.5% increase for 2019/20), and the direct passporting of that additional funding to Adult Social Care to provide for otherwise unfunded cost pressures.
 - The approved budget savings amounting to £4m
- 2.4 This report also provides a comprehensive revision of the Council's rolling 3 year future financial forecast for the new period 2020/21 to 2022/23 (i.e. compared to the previous forecast covering 2019/20 to 2021/22, this forecast now replaces the forecast for the previous 3 year period). The forecast considers the future outlook for both spending and funding, and in that context, wider recommendations are made regarding the levels of reserves to be maintained and additional contributions to the Capital Programme in order to meet the Council's aspirations for the City as well as maintaining the Council's overall financial resilience.

2.5 In particular, this report sets out the following:

- (a) The challenging and uncertain financial climate facing the City Council in 2019/20 and beyond and the consequential budget deficits that result
- (b) A brief summary of the Medium Term Financial Strategy for achieving the necessary savings
- (c) A brief recap of the budget decisions taken by the City Council at its meeting of the 11 December 2018
- (d) The Revised Revenue Budget and Cash Limits for the current year
- (e) The Local Government Finance Settlement for 2019/20
- (f) The Business Rate income for 2019/20 and future years and the financial effect of participating in the Solent 75% Business Rate Retention Pilot in a pooled arrangement with the Isle of Wight Council and Southampton City Council
- (g) The Council Tax base and recommended Council Tax for 2019/20 alongside changes to Council Tax policy
- (h) The forecast Collection Fund balance as at 31 March 2019 for both Council Tax and Business Rates
- (i) The proposed Revenue Budget and Cash Limits for 2019/20
- (j) The forecast Revenue Budget and revised Savings Requirements for 2020/21, 2021/22 and 2022/23
- (k) Estimated General Reserves over the period 2018/19 to 2022/23
- (l) The Medium Term Resource Strategy (MTRS) Reserve, its financial position and proposed use to achieve cashable efficiencies
- (m) The statement of the S. 151 Officer on the robustness of the budget in compliance with the requirements of the Local Government Act 2003.

3 Recommendations

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

- 1) The revised Revenue Estimates for the financial year 2018/19 and the Revenue Estimates for the financial year 2019/20 as set out in the General Fund Summary (Appendix A)
- 2) The Portfolio Cash Limits for the Revised Budget for 2018/19 and Budget for 2019/20 as set out in Sections 7 and 9, respectively
- 3) That the transfer to the Revenue Reserve for Capital in 2018/19 be reduced by £3.5m to offset overspendings within the current year and maintain General Reserves at levels consistent with maintaining the Councils financial resilience over the medium term

- 4) That the Council's share of the of the £650m national allocation for Adults and Children's Social Care (confirmed for 2019/20 only) and amounting to £2.4m is allocated as follows:
 - Adult Social Care - to meet the costs of Winter Pressures and contribute towards the cost of the increase in the National Living Wage (4.9%) for care providers - £1.4m
 - Children's Social Care (to contribute towards the costs of rising numbers of Looked After Children) - £1m
- 5) That a further £3.0m be added to the Children's Social Care Budget on an on-going basis, recognising the financial impact of the sustained rise in Looked After Children over the last 5 years amounting to over 40%
- 6) The additional £1.6m received from the 75% Solent Business Rate Retention Pilot (currently guaranteed for 1 year only) be used to enable the Council to make a Revenue Contribution to the Capital Programme in 2019/20 to supplement the Capital Resources available in order to fund essential Capital Investment priorities
- 7) Any underspendings for 2018/19 arising at the year-end outside of those made by Portfolios be transferred to Capital Resources in order to provide funding for known and potential future commitments in future years such as School Places, Sea Defences, enabling infrastructure for Regeneration and the Digital Strategy all necessary for the City's development and growth which have, as yet, insufficient funding
- 8) Any variation to the Council's funding arising from the final Local Government Finance Settlement be accommodated by a transfer to or from General Reserves
- 9) The S.151 Officer be given delegated authority to enter into the Solent¹ 75% Business Rates Retention Pilot agreement with the Department for Communities and Local Government
- 10) The S.151 Officer be given delegated authority to make any necessary adjustments to Cash Limits within the overall approved Budget and Budget Forecasts
- 11) That the level of Council Tax be increased by 2.99% for general purposes in accordance with the referendum threshold² for 2019/20 announced by Government (as calculated in recommendation 3.4 (d))
- 12) That the level of Council Tax be increased by a further 1.5% beyond the referendum threshold (as calculated in recommendation 3.4 (d)) to take advantage of the flexibility offered by Government to implement a "Social Care Precept"; and that in accordance with the conditions of that flexibility, the full amount of the associated sum generated of £1,144,300 is passported direct to Adult Social Care
- 13) Managers be authorised to incur routine expenditure against the Cash Limits for 2019/20 as set out in Section 9

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

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

- 14) That the savings requirement for 2020/21 be set at a minimum on-going sum of £2.5m
- 15) That the S.151 Officer be given delegated authority to make transfers to and from reserves in order to ensure that they are maintained as necessary and in particular, adjusted when reserves are no longer required or need to be replenished
- 16) Directors be instructed to start planning how the City Council will achieve the savings requirements shown in Section 10 and that this be incorporated into Service Business Plans
- 17) The minimum level of General Reserves as at 31 March 2019 be maintained at £8.0m to reflect the known and expected budget and financial risks to the Council
- 18) Members have had regard for the Statement of the Section 151 Officer in accordance with the Local Government Act 2003 as set out in Section 13.

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

- 1) The Revenue Estimates 2019/20 as set out in Appendix A have been prepared on the basis of a 1.5% tax increase for the "Social Care Precept" (amounting to £1,144,300) and that this is passported to Adult Social Care in order to provide for otherwise unfunded budget pressures including the current underlying budget deficit, the cost of the new National Living Wage and demographic pressures arising from a "living longer" population
- 2) The decision on the amount at which to set the Adult Social Care precept will be critical for the Social Care and wider Health system in the City; in the event that the additional flexibility of the "Social Care Precept" and associated 1.5% tax increase (amounting to £762,900 for each 1%) is not taken, then equivalent savings will need to be made in Adult Social Care in 2019/20
- 3) In general, due to the savings of £762,900 for each 1% reduction in order for the Budget 2019/20 to be approved
- 4) The Revenue Forecast for 2020/21 onwards as set out in Section 10 and Appendix B
- 5) The estimated Savings Requirement of £7.5m for the 3 year period 2020/21 to 2022/23, for financial and service planning purposes, be phased as follows:

Financial Year	In Year Savings Requirement £m	Cumulative Saving £m
2020/21	2.5	2.5
2021/22	2.5	5.0
2022/23	2.5	7.5

- 6) The MTRS Reserve held to fund the upfront costs associated with Spend to Save Schemes, Invest to Save Schemes and redundancies will hold an uncommitted balance of £8.3m³ and will only be replenished in future from an approval to the transfer of any underspends, contributions from the Revenue Budget or transfers from other reserves which may no longer be required
- 7) The Council's share of the Council Tax element of the Collection Fund surplus for 2018/19 is estimated to be £1,573,500
- 8) The Council's share of the Business Rate element of the Collection Fund surplus for 2018/19 is estimated to be £837,500
- 9) The Retained Business Rate income⁴ for 2019/20 is based on the estimated Business Rate element of the Collection Fund surplus as at March 2018, the Non Domestic Rates poundage for 2019/20 and estimated rateable values for 2019/20 and has been determined at £66,700,841

3.3 That the S.151 Officer has determined that the Council Tax base for the financial year 2019/20 will be **57,075.4** [item T in the formula in Section 31 B(1) of the Local Government Finance Act 1992, as amended (the "Act")].

3.4 That the following amounts be now calculated by the Council for the financial year 2019/20 in accordance with Section 31 and Sections 34 to 36 of the Local Government Finance Act 1992:

(a)	£481,710,889	Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act.
(b)	£401,994,819	Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
(c)	£79,716,070	Being the amount by which the aggregate at 3.4 (a) above exceeds the aggregate at 3.4 (b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. (Item R in the formula in Section 31B(1) of the Act.
(d)	£1,396.68	Being the amount at 3.4(c) above (Item R), all divided by Item 3.3 above (Item T), calculated by the Council, in accordance with Section 31B(1) of the Act, as the basic amount of its Council Tax for the year.

³ Including the net transfers from the reserve of £2.241m contained with the recommendations of the Capital Programme 2018/19 to 2023/24 report elsewhere on this agenda

⁴ Including the Portsmouth City Council element of the Collection Fund surplus of £837,539, S31 Grants of £6,848,028, the "Tariff" paid to Government of £2,544,842, and the contributions to the "Growth Pool" of £2,444,000, and from the "Growth Pool" of £1,630,000

(e) Valuation Bands (Portsmouth City Council)

A £	B £	C £	D £	E £	F £	G £	H £
931.12	1,086.31	1,241.49	1,396.68	1,707.05	2,017.43	2,327.80	2,793.36

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

- 3.5 That it be noted that for the financial year 2019/20 the Hampshire Police & Crime Commissioner is consulting upon the following amounts for the precept to be issued to the Council in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of the dwellings shown below:

Valuation Bands (Hampshire Police & Crime Commissioner)

A £	B £	C £	D £	E £	F £	G £	H £
134.31	156.69	179.08	201.46	246.23	291.00	335.77	402.92

- 3.6 That it be noted that for the financial year 2019/20 Hampshire Fire and Rescue Authority are recommended to approve the following amounts for the precept issued to the Council in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of the dwellings shown below:

Valuation Bands (Hampshire Fire & Rescue Authority)

A £	B £	C £	D £	E £	F £	G £	H £
45.14	52.66	60.19	67.71	82.76	97.80	112.85	135.42

- 3.7 That having calculated the aggregate in each case of the amounts at 3.4(e), 3.5 and 3.6 above, the Council, in accordance with Sections 31A, 31B and 34 to 36 of the Local Government Finance Act 1992 as amended, hereby sets the following amounts as the amounts of Council Tax for the financial year 2019/20 for each of the categories of dwellings shown below:

Valuation Bands (Total Council Tax)

A £	B £	C £	D £	E £	F £	G £	H £
1,110.57	1,295.66	1,480.76	1,665.85	2,036.04	2,406.23	2,776.42	3,331.70

- 3.8 The Council determines in accordance with Section 52ZB of the Local Government Finance Act 1992 that the Council's basic amount of Council Tax for 2019/20, which represents a 4.49% increase, is not excessive in accordance with the principles approved by the Secretary of State under Section 52ZC of the Act; and it be noted that:
- i) The 4.49% increase includes a 1.5% increase to support the delivery of Adult Social Care
 - ii) As the billing authority, the Council has not been notified by a major precepting authority (the Police and Crime Commissioner for Hampshire or the Hampshire Fire & Rescue Authority) that its relevant basic amount of Council Tax for 2019/20 is excessive and that the billing authority is not required to hold a referendum in accordance with Section 52ZK of the Local Government Finance Act 1992.
- 3.9 The S.151 Officer be given delegated authority to implement any variation to the overall level of Council Tax arising from the final notification of the Hampshire Police & Crime Commissioner and Hampshire Fire and Rescue Authority precepts.
- 3.10 That the Council Tax policy for Second Homes & Long Term Empty Properties discount scheme, aimed at bringing additional properties into productive use attached at Appendix C be approved
- 3.11 That the Council Tax Exemption Scheme for Care Leavers be approved and be implemented by way of a write-off procedure under the delegated powers of the S. 151 Officer in accordance with the scheme attached at Appendix D to be incorporated into the Council's Financial Rules.

4 Economic & Financial Context

- 4.1 Whilst the picture for the national public finances is improving with lower than forecast levels of total debt and overall debt as a proportion of Gross Domestic Product falling, it remains to be seen whether this will filter through into additional funding for local Councils for both day to day revenue spending and capital investment.
- 4.2 The key announcements from the Autumn Budget for Local Government are summarised below:
- £240m of additional Adult Social Care funding for 2018/19 to support Winter Pressures
 - £240m continuation of the Adult Social Care (Winter Pressures) funding into 2019/20
 - £410m for Adults and Children's Social Care in 2019/20 and states "*..... to ensure that adult social care pressures do not create additional demand on the NHS. Local councils can also use it to improve their social care offer for older people, people with disabilities and children*"
 - £55m of additional funding for Disabilities Facilities Grant in 2018/19;
 - £420m in 2018/19 to tackle pot holes and other minor road highways works;
 - £400m of in-year capital funding allocations to schools in 2018/19 to spend on equipment and facilities;
 - An additional £84m of Children's Services funding over 5 years to help more children stay at home safely with their families, but across only 20 councils;
 - For 2 years up until the next Revaluation in 2021 all retail premises with a Rateable Value below £51,000 will have their bills reduced by one third (expected to benefit 90% of retail properties);
 - Introduction of 100% business rate relief for public lavatories in 2020/21;
 - £675m to be provided across the period to 2023/24 through a new "High Streets Fund" to assist with rejuvenation of High Streets and, in particular, changing unused business and commercial property into residential accommodation;
 - Additional funding for the Housing Infrastructure Fund of £500m will be provided, taking the total fund to £5.5bn;
 - The government will abolish the future use of PFI and PF2, saying there is compelling evidence that it does not deliver value for taxpayers or genuinely transfer risk to the private sector.
- 4.3 The implications from the Autumn Budget itself are not generally expected to materially alter the Council's expected revenue funding from Central Government over the medium term, upon which the Council's forecasts are based. However, the announcement related to Adults and Children's Social Care of £650m nationally, but

announced for 2019/20 only, will help to alleviate the existing and emerging financial pressures in those areas in the short term but unless confirmed into future years will not have any impact on future budget deficits. Other factors such as inflation generally, the "living longer" population and the increase in the National Living Wage (4.9%), all of which are on-going, will impact on the Council's forecasts for future years beyond 2019/20.

- 4.4 The provisional Local Government Finance Settlement for 2019/20 was announced in December alongside 2 further consultations of the Fair Funding Review and the 75% Business Rate Retention Scheme. The Local Government Finance Settlement for 2019/20 itself is in line with expectations, with continued reductions to Council funding, but since this was anticipated it does not affect the Council's future forecasts. The Fair Funding Review and the 75% Business Rate Retention Scheme however, have the potential to have a significant effect on the Council's future funding and therefore its overall financial forecasts. This is described in more detail in Section 8.
- 4.5 A Comprehensive Spending Review is planned for the forthcoming year and this will set the overall envelope for the Public Sector, and alongside the Local Government Finance Settlement for 2020/21, will provide much more certainty for Council funding over the subsequent 4 year period.
- 4.6 This report includes a new financial forecast for the next 3 year period covering both expenditure and funding to 2022/23 after taking account of the £4.0m savings decisions made by the City Council in December 2018 and incorporating the further financial year of 2022/23. Taking the £4m of savings approved for 2019/20 together with the savings in previous years will mean that the Council will have achieved £102m of savings and efficiencies equating to circa 48% of the Council's controllable spending.

5 Medium Term Financial Strategy and Budget Decisions 2019/20

- 5.1 In response to the considerable financial challenge, the City Council has an approved Medium Term Financial Strategy (for both revenue and capital) with a renewed emphasis on regeneration, innovation and creativity leading to stimulation of the funding base (Council Tax and Business Rates) and income generation as a means to make savings and avoid cuts to services. This is illustrated below:

OVERALL AIM

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

STRAND 1 - Short / Medium Term

Transforming to an Innovative and Creative Council - through income generation

STRAND 2 - Medium / Long Term

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

STRAND 3 - Short / Medium Term

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

STRAND 4 - Short Term

Withdraw or Offer Minimal Provision for Low Impact Services

- 5.2 With an emphasis on innovation and regeneration activities, there is a presumption that Capital investment will also be targeted towards income generation and economic growth once the Council's statutory obligations have been met.
- 5.3 Despite the challenging financial circumstances, the City Council made a series of Budget decisions in December 2018 that were strongly aligned with that strategy.
- 5.4 The key Budget decisions made included:
- (a) Budget savings of £4m characterised as follows:

Description of Saving	Savings	
	£	%
Efficiency Savings (little or no reduction in Services)	£2.9m	72%
Additional Income	£0.8m	21%
Service Reduction	£0.3m	7%
Total	£4.0m	100%

Those savings being a balanced suite of savings devised in accordance with the response from the Budget Consultation which provided:

- (i) An average saving across the Council of 2.5% of current spending
- (ii) No savings from Children's Social Care
- (iii) Savings in Education amounting to just 0.9%
- (iv) Savings in Adult Social Care Services amounting to 1.9% (although when the passporting of the Adult Social Care Precept and other grants are included, Adult Social Care will receive a cash increase)

The allocation of those approved savings is set out below:

Portfolio / Committee	Savings Proposal	
	£	% Budget
Children's Social Care	0	0.0%
Culture, Leisure & Sport	347,000	3.5%
Education	70,000	0.9%
Environment & Community Safety	489,900	3.9%
Health & Social Care - Adults Social Care	966,000	1.9%
Housing	228,000	5.4%
Planning, Regeneration & Economic Development	435,800	5.6%
Resources	1,358,000	4.0%
Traffic & Transportation	105,300	2.0%
Grand Total	4,000,000	2.5%

- (b) An increase in the level of Council Tax for 2019/20 for general purposes of 2.99%
- (c) A continuation of the opportunity to increase the level of Council Tax for an "Adult Social Care Precept" within the limits set by Central Government (i.e. a 1.5% increase for 2019/20), and the direct passporting of that additional funding to Adult Social Care to provide for otherwise unfunded cost pressures.

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

6 Revised Budget 2018/19

- 6.1 The original revenue Budget approved by the City Council on 13 February 2018 was £164,776,000.
- 6.2 The Cabinet has received regular quarterly Budget Monitoring reports on the 2018/19 Budget throughout the year which have consistently reported a forecast overspend for the year. In Quarter 2, the overall overspend for the Council was forecast to be £4.5m by the year end. That forecast overspend has been driven by the cost pressures facing both Adults (£1.7m forecast overspend) and Children's Social Care (£5.6m forecast overspend) but offset by contingency provision specifically set aside for these pressures and improved returns from the Council's Treasury Management activities.
- 6.3 Of critical importance is the extent to which the overspending positions in both Adults and Children's Social Care are expected to continue into future years. This is described as the underlying deficit (or "structural deficit"). These deficits represent the level of savings that will either need to be met from the Services themselves through their own strategies and action plans or which, if proved to be unachievable to remedy, require a corporate response through an increase in the Portfolio Budget which will add to the overall Budget deficit of the Council and increase Savings Requirements to be made in future years.
- 6.4 Current estimates assess this underlying deficit to amount to £7.6m in aggregate, and comprise:
- Adults Social Care - £2.5m
 - Children's Social Care - £5.1m (of which circa £1m relates to the unfunded additional costs (from the Government re-imburement scheme) of Unaccompanied Asylum Seeking Minors (UAMs))

The proposed remedy for these underlying deficits in 2019/20 is set out in Section 8.

- 6.5 The Original Budget has now been comprehensively revised and it is proposed to increase the Budget to £166,953,000, an increase of £2,177,000. Whilst overall spending has increased, overall funding has also increased by a broadly equivalent amount resulting in an overall change to the Council's 2018/19 financial position of

£348,000. Consequently, the transfer from General Reserves will increase by an equivalent amount.

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

Budget Increases

i) A net increase in the Council's Corporate Contingency of £3.5m⁵ sufficient to cover the following additional costs / overspendings:

- Forecast overspend in Children's Social Care of £6.9m
- Forecast overspend in Adults Social Care (not met by transfers from Reserves) of £1.7m

ii) Forecast net cost of the disposal of Victory Energy of £2.5m

iii) Forecast losses at MMD amounting to £3.0m - MMD is progressing through a transition phase since the loss of its largest customer (Geest - who reluctantly left due to MMD being unable to accommodate their revised scheduling requirements alongside all other existing customer requirements). This is causing the business to experience financial losses whilst it seeks to diversify its client and product handling base. The forecast position for MMD in 2019/20 is forecast to reduce significantly with new business from Seatrade, MHI Vestas other potential business in advanced stages of negotiations. MMD is expected to return to profit in 2020/21 and improving in future years but this will be subject to further capital investment. An overall strategic review of the MMD site, facilitated by independent consultants, is in its final stages of completion and will be the subject of a report to Cabinet in the near future. The review has evaluated a long list of options, including:

1. Liquidating MMD
2. Retaining MMD
3. Liquidate MMD and sell the site for residential use
4. Liquidate MMD and rent the site for industrial use
5. Liquidate MMD and expand the Cruise and Ferry Port
6. Liquidate MMD and expand the Cruise and Ferry Port and use part of the site for non-fruit cargo

The emerging conclusions are that the continuation of MMD is likely to deliver the greatest overall financial return to the City Council over both a 5 and 20 year period in both an expected and pessimistic scenario and having taken account of all costs including all capital investment requirements and all borrowing costs associated with that capital investment. The likely level of risk associated with the delivery of these returns has been assessed as medium in the expected scenario and low to medium in the pessimistic scenario.

The borrowing for Capital Investment of £15m over a 10 year period has been recommended for approval in principle as part of the Capital Programme report contained elsewhere on this Agenda. That borrowing being conditional on the

⁵ Total increase is net of provisions made within the Original Budget that are no longer expected to be required in 2018/19

approval of Cabinet on their preferred option for the MMD site (i.e. to continue to operate MMD) and also conditional on the following:

1. Any draw down from the loan facility must first demonstrate, by way of a Business Case and proper Financial Appraisal approved by the S.151 Officer, that:
 - a) The 20 Year Business Plan demonstrates the continuing viability of MMD and that the continued operation of MMD delivers the best financial return compared with all other viable alternatives
 - b) The Capital Investment is necessary either for the sustainability of existing income streams or for the generation of additional income
 - c) The proposed Capital Investment itself represents the most favourable return when assessed against the balance of:
 - The financial return on a Net Present Value basis and over the whole life of the asset created versus other potential options for the same outcome
 - The relative risk of each alternative option
2. The Council loan being provided at a rate consistent with State Aid rules

Budget Reductions / Increases in Funding

- i) A reduction in the Revenue Contribution to the Capital Programme of £3.5m, made possible by the successful application for the Solent 75% Business Rate Retention Scheme Pilot providing an estimated direct funding allocation of £1.6m, the successful award of £16m Capital Grant for new School Places to be provided and being able to maintain the provision within the original forecast for 2019/20 of the planned £5m Revenue Contribution to Capital.
- ii) Improvement in Treasury Management activities of £3.3m
- iii) An increase in funding totalling £1.8m, mainly relating to the distribution by Government of the surplus on the "Levy Account" (i.e. the excess funding remaining after Local Authorities have been protected from significant falls in Business Rates) and other adjustments to the Business Rate Retention scheme

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

7 Revised Cash Limits 2018/19

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

7.2 The Cash Limits for 2018/19 have been revised to take account of:

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

7.3 The table below sets out the revised Cash Limits for 2018/19 and those items outside the Cash Limit (e.g. capital and similar charges, levies and insurance premiums), which together form the Revised Budget for each Portfolio.

PORTFOLIO	Revised Cash Limits 2018/19 £'000	Items Outside the Cash Limit £'000	Revised Budget 2018/19 £'000
Children's Services	24,822	105	24,927
Culture Leisure & Sport	4,461	3,870	8,331
Education	4,390	18,989	23,379
Environment & Community Safety	14,661	1,784	16,445
Health & Social Care	38,781	3,314	42,095
Housing	2,602	5,743	8,345
Leader	165	20	185
Planning Regeneration Economic Development	(19,222)	13,041	(6,181)
Resources	19,933	4,244	24,177
Traffic & Transportation	15,786	684	16,470
Governance & Audit Committee	232	10	242
Licensing Committee	(240)	16	(224)
PORTFOLIO EXPENDITURE	106,371	51,820	158,191

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

8 Revenue Budget 2019/20

- 8.1 At last year's Annual Budget Meeting in February 2018, forecasts for this coming financial year 2019/20 and the subsequent 2 financial years estimated that an overall 3 year savings requirement of £12m would be necessary to meet the budget deficits over that period.
- 8.2 Since those forecasts were prepared in February last year, the Council has now received the Local Government Finance Settlement for 2019/20. The Council's forecast was in line with the settlement with the exception of the additional funding announced in the Autumn Budget for Adults and Children's Social Care, which for Portsmouth amounts to £2.4m but which has been announced for 2019/20 only. Due to its "one-off" nature, this additional allocation has no effect on the overall 3 year budget deficit and therefore the consequent savings requirements for 2019/20. The additional allocation, in part (£0.9m), comes with passporting and spending obligations to maintain the "Winter Pressures" programme to support the discharge of hospital patients and therefore maintain the efficiency of the Queen Alexandra Hospital throughout the Winter of 2019/20. The remaining £1.5m is available to support both Adults and Children's Social Care, it is proposed to be applied to those Services to meet unfunded budget and inflationary pressures that will arise in 2019/20 and is described later in this section.
- 8.3 In addition, the other key change for 2019/20 is the successful application to become a 75% Business Rate Pilot, in a pooled arrangement with Southampton City Council and the Isle of Wight Council. Whilst, the Council is currently within a similar arrangement on a 100% basis (i.e. retaining 100% of Business Rate growth rather than the 75% retention for 2019/20), that scheme was guaranteed for 1 year only and therefore not factored into the Council's forecasts on an on-going basis. The new pilot scheme is also only for 2019/20 pending the introduction of the national 75% Business Rate Retention scheme for 2020/21 accompanied with the review of the whole system of Local Government Funding under the Fair Funding Review. The financial impact of the 75% Solent Business Rate Retention pilot scheme for 2019/20 is expected to be a direct funding allocation of £1.6m, but for 2019/20 only.
- 8.4 Both the additional £2.4m for Adults and Children's Social Care and the direct allocation of £1.6m arising from the 75% Business Rate Retention Pilot are "one-off" additional sums and their proposed use is described later in this section. Due to their "one-off" nature, neither of these additional allocations have had an effect on the Council's overall £12m forecast Budget Deficit. Other factors and amended assumptions for future years have led to an overall improvement in the Council's forecast deficit, this is explained in Section 10.
- 8.5 Other changes both funding and spending, including significant inflationary pressures are expected in the forthcoming year and have been factored into the proposed Budget for 2019/20. All elements of funding and spending have now been comprehensively reviewed which include the following:

Funding

- Central Government Funding (Local Government Finance Settlement)
- Business Rate Income (including the impact of the 75% Business Rate Retention pilot)
- Council Tax Income

Expenditure

- Budget Pressures and Inflationary Costs
- Savings proposals (agreed by the City Council in December 2018)
- Other cost pressures (including "new burdens" passed down from Central Government)
- Port and MMD trading results
- Debt Financing costs and interest rates
- Contingencies

- 8.6 As reported to the City Council in December 2018, the advice of the S.151 Officer was that "whilst it is likely that the overall financial forecasts will change, the savings requirement for 2019/20 at £4.0m remains robust and prudent but only on the basis of the Council Tax proposals set out within this report. Given what is known, or reasonably expected, regarding future funding reductions and given future uncertainties, a savings requirement of less than these sums would not be prudent". Now that the Local Government Finance Settlement has been received and the Council's forecasts for future years have been comprehensively revised, that advice still holds.
- 8.7 Details of all expenditure and funding changes proposed within the Budget for 2019/20 are described in the following paragraphs.

Funding

Local Government Finance Settlement 2019/20

- 8.8 The Local Government Finance Settlement is the term used to describe the main non-ring-fenced Revenue and Capital grant funding allocations from Government. The provisional settlement was announced on 13 December 2018 and the final settlement will be announced at the end of January / early February 2019.
- 8.9 The Council resolved to accept the Government's 4 year Settlement in October 2016 which was accepted by Government. Whilst providing some certainty of future Government Funding, the funding reductions for the Council remain significant and challenging.

8.10 The Government published the provisional Local Government Finance Settlement 2019/20 in December 2018 and it is in line with the accepted 4 Year Settlement which reflects the following:

- A reduction in general funding (the equivalent of Revenue Support Grant and other grants) as part of the 4 Year Settlement of £5.3m
- An additional allocation for 2019/20 only for Adults and Children's Social Care of £2.4m

8.11 The £5.3m reduction in funding is in line with expectations and has not had any effect on the Council's position for 2019/20 or the overall 3 year budget deficit. The additional £2.4m for 2019/20 only is available for otherwise unbudgeted costs and inflationary pressures in 2019/20 only but not the on-going impact in future years.

8.12 Other key announcements as part of the Provisional Local Government Settlement are:

- Revenue Support Grant - There is no change to the distribution methodology for 2019/20 although "negative RSG" has been removed
- Council Tax:
 - The basic referendum principle of a 3% increase is confirmed
 - Adult Social Care Precept remains intact (6% increase over the 3 years 2017/18 to 2019/20).
 - Police Council Tax can increase by a maximum of £24 (which for Hampshire would equate to a 13.5% increase in their share of the Council Tax)
- Proposals for new 75% Business Rates Pilots in 2019/20 have been approved for 15 areas and the Solent application was successful
- A £180m balance on the national Levy Account will be distributed based on need (this amounts to £0.7m and was distributed in the current year). At this quantum it is not significant at a local level but is an important principle for the future funding of Local Government
- Two consultation papers have been published on the Fair Funding Review and Business Rates Retention) to come into effect in 2020/21. This is important to all Council's and is one of the largest risks within the Council's future financial forecasts. The consultations are described below:
 - The Fair Funding review (i.e. the review of the 'needs element' embedded with the Revenue Support Grant and the Business Rates Retention system) covers the structure of the funding formula, the formulas,

weightings and data to be used in the calculations. It also covers how the level of Council Tax raised locally will be calculated for the purposes of reducing the need for Central Government funding. Finally the basis of any transitional funding that may be required for those local authorities suffering significant reductions in funding is also included.

- The 75% Business Rate Retention Scheme covers: Resets (i.e. how long any growth / loss in business rates will be retained before it is reset to a new baseline), safety nets, levy, tier splits and hereditaments to be held on the local and central lists as well as how to best deal with appeals and an alternative model of business rates retention.

- The New Homes Bonus scheme remains unaltered (described below)

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

- A threshold of a 0.4% increase in new homes (or "deadweight") before any New Homes Bonus (NHB) will be paid (i.e. 0.4% growth will need to be achieved before any NHB funding will be paid)
- Payments made for 4 years from 2019/20 and thereafter

8.14 The final grant settlement should be available by late January / early February, it is not expected to vary significantly from the provisional settlement and it is recommended that any variation should be accommodated by a transfer to or from General Reserves.

8.15 Given that the 2019/20 Local Government Finance Settlement is broadly in line with the Council's forecasts upon which the minimum £4m savings requirement was based, and subject to the approval of the Council Tax proposals contained within this report, there is no need to seek any further savings beyond those approved at the December 2018 Council meeting.

8.16 Whilst the Local Government Finance Settlement is a significant factor in determining the Council's overall financial position and therefore any necessary savings, other significant factors that will affect the Council's future Savings Requirements include Business Rates income, Council Tax income, inflation, interest rates and any new unfunded burdens passed down from Government. These are described in the paragraphs that follow.

Retained Business Rates 2019/20 & Future Forecasts

- 8.17 The Retained Business Rates system is complex and subject to a significant degree of inherent risk. The current national system is characterised by a complex formula which includes the following:
- i) Retention of 50%⁶ of all business rates received and which is affected by the value of successful appeals, the number of mandatory reliefs (e.g. charitable relief) and the overall collection rate (i.e. how much is uncollectable and written off)
 - ii) Increased by a fixed amount "top up" which increases annually by the rate of inflation
 - iii) Compensation through S.31 Grants for national government initiatives which have the effect of reducing Business Rates to the Local Authority such as business rate capping for small businesses
 - iv) A "safety net" set at 7.5% below a pre-determined baseline⁷ below which retained Business Rates will not fall (set at £56.3m for 2019/20)
- 8.18 In 2017/18 the National Non Domestic Rate system was subject to a re-valuation. This revised both the rateable values and the multiplier. The entire re-valuation is financially neutral at a national level with the increase in rateable values overall offset by a reduction in the multiplier.
- 8.19 The Retained Business Rates system for Local Authorities is likewise intended to be financially neutral. Inevitably, this will not be the case and there will be "winners" and "losers" across the country. The key risk is the extent to which successful appeals are greater or less than the assumed allowance for appeals contained within the new multiplier set by Government.

75% Business Rate Retention Pilot (BRR Pilot)

- 8.20 The Council has been successful in its application to become a 75% Business Rate Pilot (BRR Pilot) for 2019/20 in a pooled arrangement with Southampton City Council and the Isle of Wight Council. The arrangement is one where both risks and rewards must be shared across all authorities. The scheme is intended to reduce volatility in the income from Business Rates as well as maximise the incentive to grow the business rate base. The scheme also provides for a "Safety Net" across the Pool whereby the Pool cannot fall below 95% its "Baseline Funding Level" (compared to 92.5% in the national 50% Business Rate Retention Scheme). It does however, provide the opportunity for the 3 Councils to retain 75% of any growth in Business Rates so long as it is used to:
- i) Promote financial stability and sustainability across the pooled area
 - ii) Re-invest in promoting further growth across the area

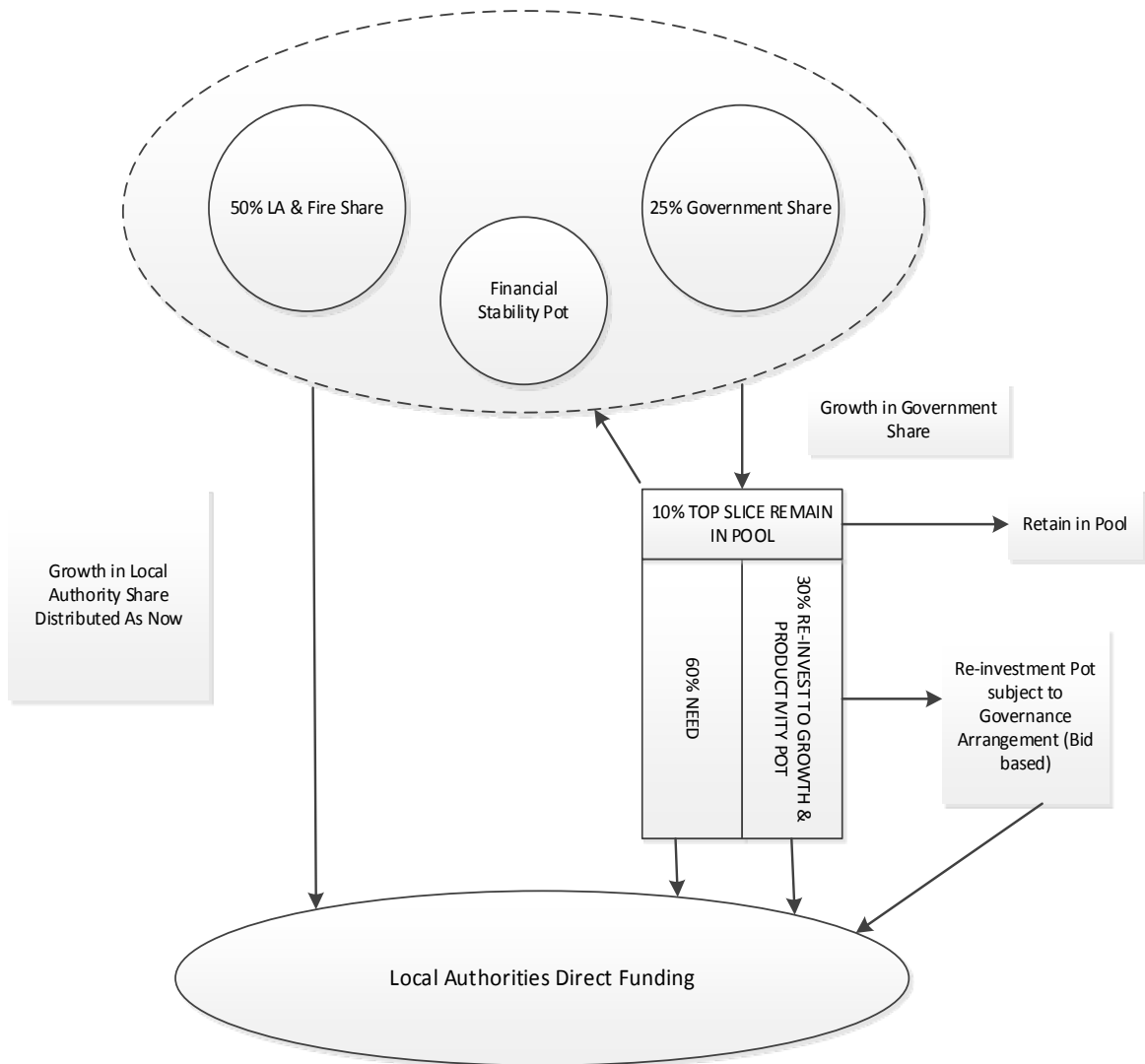
⁶ 49% To the City Council and 1% to the Hampshire Fire & Rescue Authority

⁷ Known as the Baseline Funding Level, set in 2013/14 and increased by inflation each year

- 8.21 The pilot scheme is guaranteed for 1 year only and will be replaced by a national 75% Business Rate Retention Scheme in 2020/21. The Solent Authorities are expected to be able to elect whether they wish to remain in a pooled arrangement, sharing risks and rewards.
- 8.22 The scheme has been designed to retain the arrangements for the existing 50% share of business rate growth to remain intact with the relevant Councils and then for half of the Government's existing 50% share to be distributed through a "Growth Pool". The total "Growth Pool" that would otherwise have been passed back to Government but which is now available for distribution to the 3 Councils is estimated to amount to £7.6m.
- 8.23 The scheme has significant benefits to the City Council that it would otherwise not receive if it wasn't in the pooled arrangement as follows:
- i) Half of the Government's share of any growth (estimated at £7.6m) that used to be returned to Government, is now accumulated into a pool - this is additional funding available to the 3 Councils but, importantly includes all growth since 2013/14 (not 2019/20) although it is not backdated
 - ii) The pool is then allocated as follows:
 - 60% shared out on the basis of need (defined by the Government's current grant funding formula) - This is expected to be an additional £1.6m for the City Council and available for any purpose
 - 30% is allocated to a "Growth & Productivity Pot", to be re-invested across the 3 Councils into schemes that generate growth and productivity - This is expected to be £2.2m in total and to be shared between the 3 Councils
 - 10% is retained in the pool and held back in the event of future reductions in business rates - This is expected to be £0.7m across all Councils to be available to offset any potential future business rate loss

This is set out diagrammatically below:

BUSINESS RATE POOL - Distribution of Growth Scenario



8.24 As mentioned, the Business Rates Growth Pool is essentially half of that element of Business Rate growth that previously was returned to Government. In cash terms, every additional 1% increase in Business Rate Growth will result in additional funding to the Pool (to be distributed between the 3 Authorities as previously described) of £630,000 which would be allocated as follows:

- £378,000 directly to the Solent Authorities (£140,000 to PCC)
- £189,000 to the Growth & Productivity Pot
- £63,000 to the Financial Stability Pot

8.25 The estimated Growth Pool is significant for 2019/20 because it covers the growth for the total period 2013/14 to 2019/20 (rather than just 2018/19 to 2019/20) amounting to 13% across all 3 Councils.

- 8.26 In overall terms, it is estimated that the City Council will receive the following additional sums / benefits as a direct consequence of the 75% Business Rate Retention pilot:
- i) Direct allocation for general use £1.6m
 - ii) A share of the "Growth & Productivity Pot" which amounts in total to £2.2m
 - iii) A distribution from the "Financial Stability Pot" amounting to £0.7m in total in the event of future Business Rate reductions
- 8.27 In total, for 2019/20, Retained Business Rates are estimated at £66.7m⁸ (now reflecting the retention of 75% Business Rates) and which includes a surplus relating to previous year of £0.8m arising from lower than anticipated losses due to appeals. Future estimated Business Rates have been assumed to increase by the rate of inflation only (as estimated by the Office for Budget Responsibility).
- 8.28 The estimation of Business Rate receipts is extremely complex, with the potential to be volatile and with many of the factors outside this Council's control. In particular, the Valuation Office Agency will both determine whether a rating appeal is successful and the level of reduction granted with the Council having no right of challenge. To help mitigate against this risk, the Council maintains a reserve to provide the Council with a degree of funding stability in the event of fluctuations within and between years. The Council will now also be afforded some protection through the Business Rate Pooling arrangements (i.e. the "Financial Stability Pot").
- 8.29 Despite the complications and risks associated with appeals, there remains the financial incentive within the system for many Local Authorities (including Portsmouth⁹) to generate economic growth and job creation. Irrespective of the financial incentive, the Council's Medium Term Financial Strategy is aimed at reducing the need for Council Services generally and therefore growth, jobs and prosperity are vital to achieve that.

Council Tax Proposals 2019/20 & Future Years

Council Tax Amount 2019/20

- 8.30 As described in the Budget report to Council in December 2018, the Council currently receives approximately £6.0m per annum less in Council Tax than the average Unitary Authority within its statistical neighbour group, a gap which if closed would reduce the Savings Requirements of the Council by the same sum.
- 8.31 This is an important factor in relation to the Fair Funding review, which will make a deduction to a Local Authority's overall funding allocation in respect of the amount that can be raised locally through Council Tax. The Council's past decisions to maintain a low level of Council Tax have been, and are expected to continue to be a

⁸ Includes transfer to the "Growth Pool" of £2.4m and transfer from the "Growth Pool" of £1.6m less the "Tariff" of £2.5m plus S.31 Grants of £6.8m for compensation due to national Government business rate relief initiatives

⁹ Applies to Local Authorities that, in general, remain above the safety net threshold over time

disadvantage in relation to the Council's funding allocation after the Fair Funding Review. This is because the funding formula is expected to continue to make a deduction based on a national average level of Council Tax which is currently significantly higher than that of Portsmouth, resulting in a higher deduction than the Council currently raises in Council Tax.

- 8.32 Council Tax currently represents 45% of the Council's total revenue funding and as Government funding has reduced, this has become an increasingly more important and dependent funding source for the Council.
- 8.33 Council Tax for the average Council Tax payer in Portsmouth (Band B) currently amounts to £1,228.74, of which £1,039.59 (85%) is the City Council element. Not all residents are subject to the full amount of Council Tax with many benefitting from exemptions and discounts (such as the single person discount) and a significant number of residents receiving Local Council Tax Support bringing the level of Council Tax payable to an assessed affordable level. After discounts, exemptions and Local Council Tax support is taken into account, only 52% of all properties are subject to the full level of Council Tax.
- 8.34 In response to inflationary pressures faced by Councils (e.g. Consumer Price Index (CPI) 2.3% and Retail Price Index (RPI) 3.2%)¹⁰, the Provisional Local Government Finance Settlement for 2019/20 confirmed a Council Tax increase limit for general purposes (i.e. referendum threshold) of 3%. Any increase beyond the 3% threshold can only be implemented following a "Yes" vote in a local referendum.
- 8.35 As described more fully later in this report, the actual level of inflation for 2019/20 is £0.9m higher than had been originally forecast. This is principally due to the proposed pay award averaging at 3.0% being £0.2m higher than forecast, the National Living Wage set at 4.9% plus RPI / CPI (upon which contracts and other costs are linked) estimated to cost an additional £0.7m. The Council had originally forecast that it would increase the level of Council Tax by just 1.99% for general purposes, a further increase in Council Tax of 1% (to 2.99%) would generate a further £762,900, therefore largely alleviating those additional inflationary costs.
- 8.36 In addition, the remaining level of Council Tax increase allowed for the Adult Social Care precept for 2019/20 is 1.5%. The Council's forecasts are based on the full remaining 1.5% increase being applied in full. Should the Council elect to reduce the increase from 1.5%, each 1% reduction will lead to a further £762,900 pressure on Adult Social Care, requiring the Service to make further savings of an equivalent sum.
- 8.37 The additional flexibility to apply Council Tax increases for the Adult Social Care Precept has been provided in recognition of the extreme cost pressures facing Adult Social Care, both through the increase in the National Living Wage (which has increased by 4.9%) as well as the demographic pressures from general aging and a "living longer" population.
- 8.38 For Portsmouth City Council, it is vital that the flexibility of the Adult Social Care Precept is taken in order to mitigate the current underlying deficit in Adult Social Care currently standing at circa £2.5m. The alternative would be to increase the level of savings required by the Service.

¹⁰ As at November 2018

- 8.39 Given the upward inflationary pressures on pay and prices amounting to £4.7m in total (and an additional £0.9m versus the Council's original forecast, as previously described), the demographic pressures in Adult Social Care and the impact of the 4.9% increase in the National Living Wage on Care Services (estimated to cost an additional £1.6m), it is proposed that:
- i) The Council Tax for General Purposes be increased by 2.99% for 2019/20, representing 60p per week for a Band B tax payer and yielding £2.3m
 - ii) Adult Social Care precept be increased by 1.5% for 2019/20, representing 30p per week for a Band B tax payer and yielding £1.1m to be passported direct to Adult Social Care.
- 8.40 Given the extent of the unfunded cost pressures in Adult Social Care, both present and emerging, it is recommended that the Council increase the Council Tax for the Adult Social Care Precept by 1.5%. Setting a precept at a lower sum will inevitably result in additional service reductions to Adult Social Care services in 2019/20, this decision therefore will be will be critical for Adult Social Care services and the wider health system in the City.
- 8.41 The Council could elect not to increase the level of Council tax by 4.49% but if it chose to do so would need to identify additional savings over and above the £4m savings approved by the City Council in December 2018. For every 1% reduction in Council Tax, additional savings of £762,900 will be required.
- 8.42 The Council's future forecasts for the period 2020/21 to 2022/23 have been estimated on the following basis:
- i) General Purposes - 1.99% rise each year
 - ii) Adult Social Care Precept - No further increases thereafter

Council Tax Base 2019/20

- 8.43 The Council Tax Base (i.e. the number of Band D equivalent properties paying the full Council Tax) has been determined as **57,075.4** for 2019/20.

Collection Fund Balance (Council Tax Element) 2018/19

- 8.44 The Collection Fund is the account into which are paid amounts collected in respect of Council Tax and out of which are paid the Council Tax precepts to:
- Portsmouth City Council (84.6% share)
 - Hampshire Police & Crime Commissioner (11.2% share)
 - Hampshire Fire & Rescue Service (4.2% share)

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

8.45 For 2018/19, it is estimated that there will be a surplus on the Collection Fund of £1,859,761 which will be shared in proportion to the 2018/19 precepts and distributed to the preceptors as follows:

COLLECTION FUND SURPLUS - 2018/19		
Preceptor	Distribution	
	£	%
Portsmouth City Council	1,573,465	84.6%
Hampshire Police & Crime Commissioner	208,907	11.2%
Hampshire Fire & Rescue Service	77,389	4.2%
Total Surplus 2016/17	1,859,761	100.0%

The Portsmouth City Council Share of the surplus of £1,573,465 is factored into the overall Council Tax income for 2019/20.

Total Council Tax Income 2019/20 & Future Years

8.46 Considering the Council Tax increase, Council Tax Base and surplus on the Collection Fund, the total Council Tax income for 2019/20 is estimated at £81,289,535.

8.47 As Government funding reduces, rises in Council Tax income are fundamental to the Council's future financial position and therefore the future sustainability of Council Services. The Council's Medium Term Financial Forecast assumes that Council Tax Income will rise to £84,570,332 by 2022/23 and is based on the following assumptions:

- Increase in the amount of Council Tax of 4.49% for 2019/20
- Increases of 1.99% per annum from 2020/21 onwards

Changes to Council Tax Policy 2019/20

8.48 It is proposed that changes be made to Council Tax policy in respect of the following:

- i) Empty property discounts, phasing in additional premiums over the period April 2019 to April 2021 - to bring vacant homes into productive use (attached at Appendix C)
- ii) Discount for Care Leavers - recognising the Council's role as a Corporate Parent (attached at Appendix D)

Long Term Empty Property Discount Policy

The Government announced their intention to amend the legislation regarding the charging of premiums on properties that have been empty for over 2 years. The bill to amend the regulations has now been given royal assent.

Accordingly, it is proposed that the Council amends its policy (proposed at Appendix C) to align with the legislation as follows:

- ❖ From 1 April 2019 to 31 March 2020 where the property has been empty over 2 years, a 100% premium.
- ❖ From 1 April 2020 to 31 March 2021 where the property has been empty between 2 to 5 years a 100% premium and where the property has been empty over 5 years, a 200% premium.
- ❖ From 1 April 2021 where the property has been empty between 2 to 5 years a 100% premium, where the property has been empty between 5 and 10 years a 200% premium and for property that has been empty over 10 years a 300% premium.

Care Leavers Discount Scheme:

Care leavers are a particularly vulnerable group for council tax debt, and as they move into independent accommodation and begin to manage their own budget, it can be a challenging time, exacerbated if they fall behind with council tax.

It is proposed that, as a corporate parent, Care Leavers up to the age of 25, are granted a discretionary discount of up to 100% of the council tax liability. This will help our Care Leavers with financial support whilst they develop independent lives and life skills.

The financial support is proposed to be implemented by way of a write off under the delegated authority of the S.151 Officer as set out in Appendix D and be incorporated into the Council's Financial Rules.

Cumulative Effects of the Overall Local Government Funding System

8.49 Over the past 8 years and including the coming year, the emphasis of the Local Government Funding system has changed considerably. There are clear financial incentives for Local Authorities to promote business growth, increase the number of homes and increase employment. This is illustrated by the following:

- The Business Rates retention scheme allows the City Council to retain circa £460,000 for every 1% increase in Business Rate growth (under the 50% BRR pilot scheme but increasing to £692,000 under the 75% Business Rate Retention Pilot). Equally, the City Council will lose £460,000 (£692,000 under the 75% BRR pilot) for every 1% decline in the Business Rate base

- For every new home built, the City Council is able to retain circa £1,671 p.a. above the "deadweight" threshold of 0.4% (circa 317 homes) in New Homes Bonus grant for a period of 4 years
- The risk of increased numbers of households requiring financial support to pay their Council Tax (formerly Council Tax Benefit) falls on the City Council. The City Council therefore will be worse off if caseloads increase and better off if caseloads fall. The estimated value of the Council Tax support for 2019/20 is £9.9m. Each 1% change therefore will represent a cost / saving of £99,000.

8.50 Whilst the Fair Funding Review and 75% Business Rate Retention Scheme to be introduced in 2020/21 may alter these incentives, it is still expected that they will remain significant given the continued drive to incentivise Local Councils to stimulate their local economies. It is important therefore that when the Council is developing policy and strategy and making its decisions, particularly relating to the Capital Programme, it is cognisant of these financial incentives.

Expenditure

Budget & Inflationary Pressures 2019/20

- 8.51 In November 2013 the Council resolved that, as part of a new financial framework providing for a more autonomous approach to financial management and involving the right for Portfolios to retain all underspendings, that Portfolios would be expected to manage any budget pressures.
- 8.52 The Council's budget process provides each Portfolio with an allocation for inflation so that it is fully funded (excluding any savings requirements) to operate "steady state" services. Budget pressures are not funded (as described above) and tend to be related to additional burdens or additional demand. In certain circumstances (such as the National Living Wage), it can relate to an exceptionally large inflationary pressure.
- 8.53 As described in Section 6 , Adults and Children's Social Care are carrying underlying deficits of £2.5m and £5.1m, respectively. Significant progress has been made in addressing the underlying budget deficits in Adult Social Care and the Service has a well developed and costed 3 year plan. The Strategy and plan for Children's Social Care is at an earlier stage of development. The status of each Strategy and plan is described below:

Adults Social Care:

The service has developed a strategy which aims to provide greater independence to clients, providing modern services through better and more appropriate accommodation for client needs, reducing residential care with supported living where appropriate, introducing technology where desirable and engaging greater support through the voluntary sector. Current forecasts estimate that the full £2.5m underlying deficit can be remedied through the delivery of this strategy by the end of 2020/21.

The Service has both a Transformation Reserve (set aside from Government allocations of the improved Better Care Fund (iBCF)) and an In House Residential Reserve (received as part of the contractual settlement to cease the contract at Harry Sotnick House). These reserves are available to support the strategy as follows:

- i) Fund the expenditure required to invest in the modernisation of accommodation and services necessary to improve outcomes and make savings
- ii) Support the Revenue Budget with the costs associated with implementing the "In House" Residential Strategy amounting to £2.7m over the years 2019/20 and 2020/21

Given the availability of the Adult Social Care Reserves to deliver a balanced budget by the end of 2020/21, there is no requirement for any additional budget allocation from the Council.

Whilst it is expected that the underlying budget deficit is capable of remedy, Adult Social Care will be required to continue to provide a "Winter Pressures Programme", supporting the NHS to accommodate increased demand for hospital admissions and discharges over the Winter of 2019. Additionally, the National Living Wage will increase by 4.9% which is expected to confer a cost burden of circa £1.6m on Adult Social Care through their contracts with suppliers of Care. Whilst about half of this sum has been provided for within their inflation allocation, the remainder represents an unfunded Budget Pressure.

As previously mentioned, the Council have received additional funding from Government of £2.4m for both Adults and Children's Social Care and to ensure the continuation of the Winter Pressures Programme.

To accommodate the cost of the Winter Pressures Programme, the additional cost burden associated with the National Living Wage and to avoid adding to the Adult Social Care underlying budget deficit of £2.5m in 2019/20, it is proposed to allocate £1.4m (of the £2.4m additional funding) to Adult Social Care.

Children's Social Care:

The service has developed a Sustainability Strategy which seeks to:

- i) Improve Early Help to reduce safeguarding referrals
- ii) Improve Family Practice to reduce care proceedings, reduce repeat child protection plans, reduce care days and increase reunification
- iii) Improve Care to reduce the number of out of city placements and placements with independent foster carers, improve placement stability and increase support

The main cause of the underlying deficit in Children's Social Care has been the sustained increase in the growth of Looked after Children. Over the past 5 years, this has grown by over 40% (well in excess of 100 additional children which on average cost circa. £50,000 per additional Looked After Child). This increase has not been accompanied by any increase in budget although the Service, unlike all other

Services of the Council has generally been exempted from any requirement to contribute towards the overall Council savings requirements.

It is clear at this stage that the Sustainability Strategy set out will not be able to achieve savings of the magnitude of £5.1m. Current estimates forecast that the level of on-going savings that could be made through the strategy could amount to £2m and be delivered over a 2 to 3 year period. On that basis, and to establish the Children's Social Care Budget to a more sustainable level, it is proposed that for 2019/20 an additional £4m is added to the Children's Social Care Budget made up as follows:

- i) £3m is added on an on-going basis and that this is factored into the Council's future forecast deficit upon which the Council's overall future savings requirements are based
- ii) £1m is added for 2019/20 from the additional funding provided by Government for Adults and Children's Social Care of £2.4m (confirmed for 2019/20 only)

8.54 Risks remain to the delivery of both the Adults and Children's Social Care financial sustainability strategies and these will be managed as an integral part of their implementation, however adequate corporate contingency provision will be made to cover those risks to ensure that the overall Council Budget remains robust.

8.55 Budget pressures within all other Services of the Council are expected to be able to be managed within their overall cash limit with any necessary support from their Portfolio Reserve to enable any such pressures to be managed over time.

8.56 As described in the Capital Programme 2018/19 to 2023/24 report contained elsewhere on this agenda, there are very significant future capital obligations and aspirations. These include schemes both of a statutory nature plus schemes aimed at protecting and transforming the City's economy. These schemes are presently unfunded but will likely require funding in the short and medium term:

Capital Scheme - Significant Obligation / Aspiration	Unfunded Requirement £m
Additional School Places - Primary & Secondary	0 - 5.0
Anti-Poverty Projects	0.4
Development of Performing Arts	6.0 - 10.0
Digital Strategy (incl. move to cloud based Information Technology systems)	2.0 - 3.5
Landlord's Maintenance	2.0 - 4.0
Local Transport Plan - road safety and traffic improvement schemes	1.5 - 2.0
Park Life	2.0 - 4.0
Sea Defences	0 - 25.0
The Camber Quay Berth 4 Replacement	1.8 - 2.0
Total Funding Requirement	15.7 - 55.9

8.57 The scale of the funding required for these obligations and aspirations is such that it far outstrips the annual capital grant funding, capital receipts and CIL contributions

that the Council receives (circa £7m per annum) plus any Government funding which may be available for school places. With core capital funding of £7m potentially available versus core obligations and aspirations of between £16m to £56m of Capital Investment, there is a hugely significant shortfall ("Capital Gap") to be met.

- 8.58 Given that this Capital Investment is necessary for both the Council's statutory obligations and also to transform the City's growth potential, it is vital that the Council makes provision for Revenue Contributions to Capital wherever possible.
- 8.59 Given "Capital Gap" described above, it is recommended that:
- i) The estimated additional £1.6m available to the Council for 2019/20 only arising from the 75% BRR Pilot is transferred to Capital in order to supplement the Capital Resources available for 2019/20
 - ii) Any further underspendings for 2018/19 arising at the year-end be transferred to Capital to supplement the Capital Resources available for future years

Summary of Proposed Revenue Budget 2019/20

8.60 The proposed Budget for 2019/20 has been prepared to include the following:

Spending 2019/20:

- Additional funding for Children's Social Care, recognising the sustained increase in Looked after Children as well as the additional unfunded costs of UAMs - £4m
- Passporting the "Social Care Precept" funding of £1.1m (amounting to the equivalent of a 1.5% increase in Council Tax) to Adult Social Care to meet demographic pressures, some of the costs associated with the National Living Wage and to mitigate the current underlying deficit
- An additional £1.4m for Adult Social Care to meet the continuation of the "Winter Pressures" programme as well as some of the additional costs associated with the 4.9% increase in the National Living Wage
- An overall allowance for inflation of 3.5% (which includes pay at 3.0%) amounting to £4.7m
- Use of the additional £1.6m received from the Business Rate Retention Pilot (currently guaranteed for 1 year only) to enable the Council to make a Revenue Contribution to the Capital Programme to ensure the Council can properly meet its essential Capital Investment needs
- Other Revenue Contributions to Capital of £5m to fund the Capital Programme set out elsewhere on this agenda and the revenue implications arising from the Council's obligations to fund that Capital Programme
- Overall contingency provision to cover known and anticipated financial risks of the Council amounting to £9.5m (£10.2m in 2018/19), especially those relating to increases in demand for Adult & Children's Social Care services and the delivery of budget savings more generally

- Adjustment to forecast borrowing costs and investment rates
- The £4.0m savings proposals approved by the City Council in December 2018
- Forecast losses from MMD amounting to £1.0m (but returning to profit in 2020/21)

Funding 2019/20:

- Reduction in general Government funding of £5.3m (of which £4.4m is routed through the Retained Business Rates system of "Top Ups and Tariffs" - see below)
- Reduction in retained Business rates associated with the move from the current 100% Business Rate Retention Pilot to the 75% Business Rate Retention Pilot amounting to £1.6m (note that if the Council was not within the new 75% Business Rate Retention Pilot then Business Rates would reduce by a further £1.6m)
- Changes arising from the increase in Business Rates due to the inflationary uplift in the multiplier and a real decline in the Business Rate Base
- An overall increase in Council Tax of 4.49%, yielding £3.4m
- An increase in the Council Tax base equivalent to 1,218 Band D properties yielding £1.7m
- A reduction in retained Business Rates¹¹ of £7.3m, (of which £1.6m arises as a direct result of the move from a 100% BRR Pilot to a 75% BRR Pilot and £4.4m relates to the reduction in Revenue Support Grant but routed through the BRR system as described above)
- Overall "one-off" surplus on the Collection Fund attributable to the City Council amounting to £2.4m, representing a surplus on Council Tax of £1.6m and a surplus on Business Rates retained of £0.8m

8.61 The proposed Budget for 2019/20, including the main changes described above results in net spending of £165,327,000. This amounts to a net increase in spending of £551,000 or 0.3% over the Original Budget 2018/19 of £164,776,000.

8.62 The proposed Budget for 2019/20 as described in this Section is recommended for approval.

¹¹ This includes an increase in the surplus brought forward from one year to the next on the Collection Fund of £0.3m

9 Cash Limits 2019/20

9.1 As previously described, Cash Limits relate to that element of the Budget that is Portfolio and Service specific and which is controllable. Cash Limits have been prepared to reflect all changes set out in the proposed Budget for 2019/20 described in Section 8 and in particular include:

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

9.2 The table below shows the proposed Cash Limits for 2019/20 and also those items outside Cash Limits (i.e. capital and similar charges, levies and insurance premiums), which together form the Budget for each service.

PORTFOLIO	Cash Limits 2019/20 £'000	Items Outside the Cash Limit £'000	Budget 2019/20 £'000
Children & Education	29,496	105	29,601
Culture Leisure & Sport	5,047	3,870	8,917
Education	5,015	18,989	24,004
Environment & Community Safety	14,582	1,787	16,369
Health & Social Care	44,369	3,313	47,682
Housing	2,287	5,743	8,030
Leader	133	20	153
Planning Regeneration Economic Development	(20,742)	13,041	(7,701)
Resources	19,744	4,250	23,994
Traffic & Transportation	15,558	684	16,242
Governance & Audit Committee	161	49	210
Licensing Committee	(244)	16	(228)
PORTFOLIO EXPENDITURE	115,406	51,867	167,273

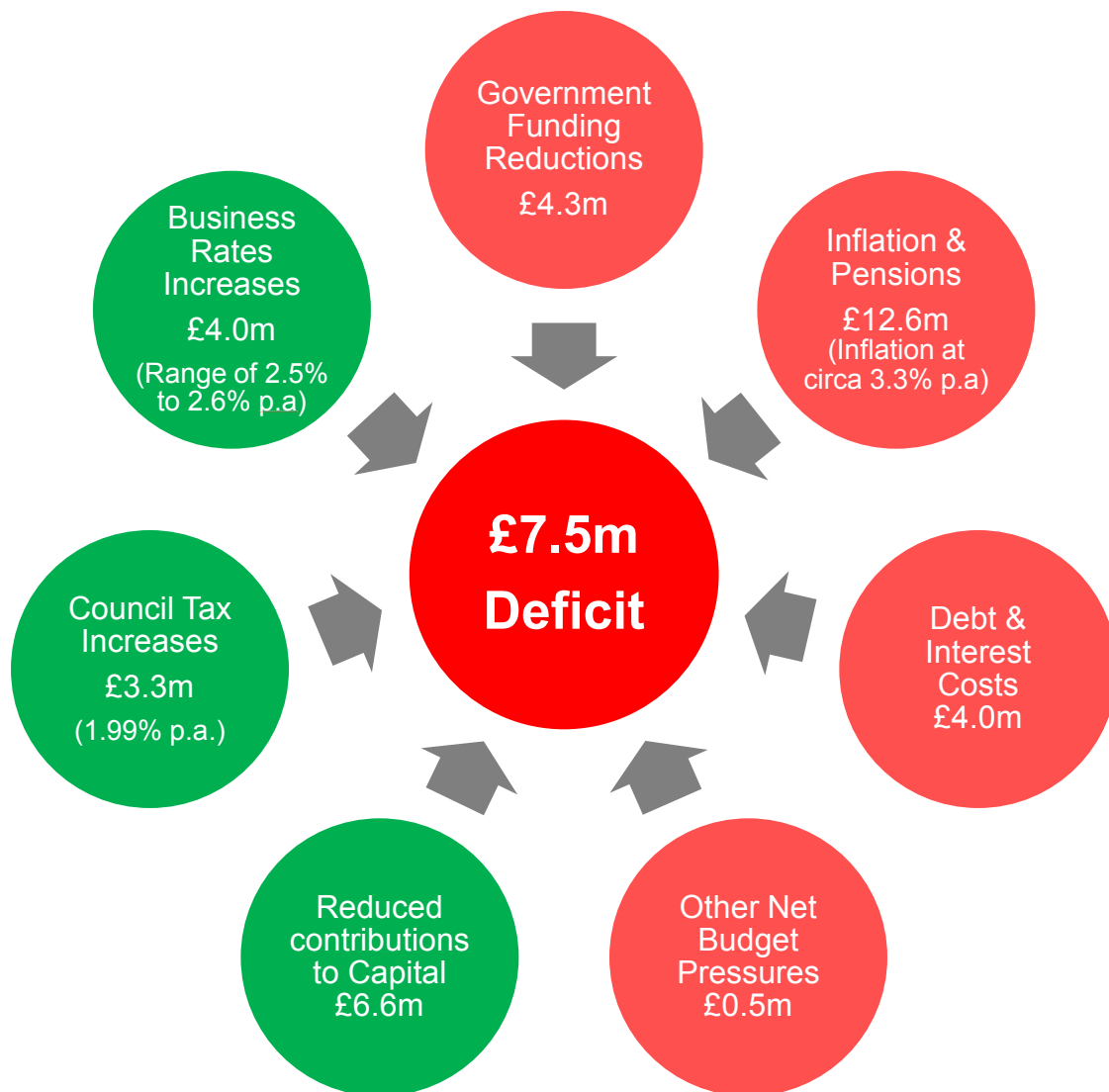
9.3 Managers will be expected to contain their expenditure in 2019/20 within Cash Limits and to regularly monitor their budgets to ensure this is achieved. Managers will continue to have the freedom to change their budgets within the Cash Limit in the year, provided they do not enter into commitments which would increase their expenditure in future years beyond the agreed Cash Limit for 2019/20, but mindful of the requirement to make savings in future years.

- 9.4 As set out in the Council's Financial Rules, any overspends against the current year's Cash Limit will become the first call on any retained underspendings from previous years contained within a Portfolio's Earmarked Reserve. Should a Portfolio's Earmarked Reserve be depleted, any remaining overspend will be deducted from the 2020/21 Cash Limit.
- 9.5 Managers have delegated authority to incur committed routine expenditure within their approved Cash Limit. Routine expenditure is any expenditure incurred to meet the day-to-day operational requirements of the service, or any specific approved budget pressure. Managers wishing to incur expenditure on any other specific item should seek approval from the relevant Portfolio holder before incurring that expenditure.
- 9.6 These Cash Limits will be adjusted under the delegated authority of the S.151 Officer to reflect transfers of budgets that come to light after the Budget has been approved, such as changes to the assumptions on inflation rates and any other virements.
- 9.7 Managers will be required to report their forecast outturn position to the relevant Portfolio holder on a regular basis and the Cabinet will receive a report on the overall budget position every quarter.

10 Future Years' Medium Term Forecasts - 2020/21, 2021/22, and 2022/23

- 10.1 A new medium term forecast has now been completed and "rolled on" a further year to cover the period 2020/21 to 2022/23. All of the financial assumptions have been comprehensively revised and a savings requirement for the new period determined.
- 10.2 The previous medium term forecast estimated that savings of £12m would be required across the previous 3 year period 2019/20 to 2021/22. The proposed Revenue Budget for 2019/20 provides for £4m of those savings that, based on the "old" forecast, would have left a residual £8m remaining to be found for the following 2 years.
- 10.3 The new medium term forecast takes account of the £4m savings being achieved in 2019/20, comprehensively revises the remaining £8m that was estimated to be required and makes a forecast for the additional year 2022/23. It is now estimated that the savings required for the new 3 year period 2020/21 to 2022/23 will now be £7.5m (or £15m cumulatively over the period) as described in the paragraphs that follow.

10.4 The most significant changes that will affect Local Government and the Council through the period 2020/21 to 2022/23 are as follows:



10.5 The most significant assumptions in the medium term forecasts for the period 2020/21 to 2022/23 are described below:

Spending:

- An overall composite inflationary provision covering all pay and prices at circa 3.3% per annum for the period plus additional pension obligations amounting to a total of £12.6m
- The ongoing effect of savings and passported funding for new burdens included in the 2019/20 budget
- Some provision for the potential on-going risks associated with the budget pressures within Children's and Adult Social Care

- Increased Debt and Interest costs of £4.0m
- Revenue contributions to Capital in reducing by £4.6m in 2020/21 and by £6.6m in 2022/23
- A contribution to the MTRS Reserve in 2021/22 in order to maintain the Reserve at levels consistent with continuing to be able to support Spend to Save initiatives and likely redundancy costs
- An assumption of a steady state for other budgets

Funding:

- Reductions in overall general Government funding from 2020/21 onwards amounting to £4.3m over the period, representing an overall reduction in Government Funding of 5.1%
- A 1.99% increase in Council Tax per annum from 2020/21 onwards, in total yielding £4.9
- Non recurrence of the current £1.6m surplus of the Council Tax element of the Collection Fund surplus
- The implementation of the Fair Funding Review and the 75% Business Rate Retention Scheme will have a broadly neutral effect on the Council's share of national funding.
- Indexation uplifts on retained Business Rates of 2.5% for 2020/21, a further 2.5% for 2021/22 and a further 2.6% for 2022/23 in line with forecasts from the Office for Budget Responsibility; but reduced by the £1.6m additional sum associated with the 75% Business Rate Retention Pilot (guaranteed for 1 year only) and the one-off surplus on the Collection Fund (£0.8m). The sum of all these factors is an increase of £4.0m.
- An underlying zero growth assumption for changes in Business Rates from 2019/20 onwards, to reflect the uncertainty relating to appeals and mandatory reliefs
- That any loss of business rates income arising from National Business Rate reduction / capping initiatives will continue to be recompensed by Government via S.31 grant funding
- An assumption that the New Homes Bonus will be subsumed within the new Fair Funding Review and an implied continuation of funding at current levels
- No changes to the Port dividend for 2020/21, 2021/22, and 2022/23 to reflect current forecasts

10.6 It is important to recognise that this forecast extends beyond the Comprehensive Spending Review planned for the coming year and the Fair Funding Review and the

75% Business Rate Retention Scheme due to be implemented in 2020/21. It also moves 2 years beyond these events making broad assumptions at the macroeconomic level pending any indicative information at the local level. Consequently there remains a significant level of uncertainty surrounding the £7.5m forecast deficit which could realistically vary between +/- £3m.

- 10.7 Due to the uncertain nature of the future years' forecasts it is imperative that the Council continues to plan for £2.5m of savings per annum as well as maintaining sufficient General Reserves. This is a balanced approach appropriate to an eventuality where the Council's forecasts are either too pessimistic or too optimistic. For example, in the event that the 3 year forecast improves, the Council has not prematurely made a level of savings and service reductions that could have been avoided and it allows more time for savings initiatives to take effect. If the forecast deteriorates, the Council will have made good progress towards the necessary savings and have sufficient General Reserves to avoid significant "spikes" in Savings Requirements in any single year in the future.
- 10.8 Crucially, this savings strategy, as described above, can only work if the Council retains General Reserves at the levels set out in this report.
- 10.9 In summary, the overall forecast budget deficit and therefore savings requirement has been reduced for both 2020/21 and 2021/22 and the forecast has been "rolled on" to now include a deficit in 2022/23 of £2.5m. The overall forecast budget deficit and savings requirement for the 3 year period 2020/21 to 2022/23 is £7.5m. Importantly, this level of budget deficit can only be maintained if the Council approves the proposed £4.0m of savings as well as the increase in Council Tax of 4.49% for 2019/20.
- 10.10 The medium term financial forecasts are set out as part of the General Fund Summary in Appendix A but in a more summarised fashion in Appendix B.
- 10.11 The fundamental aim of the Medium Term Resource Strategy is for in-year expenditure to equal in-year income. The proposed Savings Requirements set out below have been set to accord with that aim and also with the minimum level of General Balances that the Council is required to hold based on its risk profile.
- 10.12 The Savings Requirements recommended below have been phased to have regard to a managed reduction in spending and service provision over a realistic period:

	Revised Underlying Budget Deficit £m	Revised In Year Target £m	Revised Cumulative Saving £m
2020/21	2.7	2.5	2.5
2021/22	4.8	2.5	5.0
2022/23	7.5	2.5	7.5

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

11 Estimated General Reserves 2018/19 to 2022/23

- 11.1 In general, maintaining adequate reserves is a measure of responsible financial management and strong financial health. They are required in order to be able to respond to "financial shocks" without having to revert to the alternative of quick and severe reductions in services. Equally, they can be a vehicle to take advantage of any opportunities that may arise which are in the financial interests of the Council (for example, matched funding opportunities which could lever in additional funding for the City or for Spend to Save schemes). Importantly, they also enable differences between expenditure and funding levels to be "smoothed out" and managed in a planned way over time.
- 11.2 General Fund Revenue Reserves as at 31 March 2019 (Revised Estimate) are anticipated to be £20.5m after transfers to and from other reserves. The Council is expected therefore to remain within the approved level of minimum General Reserves of £8.0m.
- 11.3 In accordance with Best Practice, the level and nature of all revenue reserves and balances has been reviewed as part of the budget process. The exercise has attempted to identify and assess all of the City Council's potential financial risks over the next few years in order to determine the prudent level of balances that should be retained, based on the City Council's risk profile. Each risk has been considered alongside the probability of it happening.
- 11.4 The outcome shows that for 2019/20 the City Council should continue to hold a minimum of £8.0m in General Reserves to cover these major risks. It is therefore recommended that the minimum level of General Reserves be maintained at £8.0m as at March 2020. Assuming the savings required to fund the forecast deficit in 2019/20 are achieved, General Reserves as at 31 March 2020 are forecast to be £20.2m.
- 11.5 The minimum level of balances for 2020/21 and future years will be reviewed annually as part of the budget process.
- 11.6 The statement below gives details of the General Reserves in hand at 1 April 2018, together with the proposed use of reserves from 2018/19 to 2022/23, and the resultant balances at 31 March 2023 **assuming that the target savings recommended in Section 10 are achieved.**

General Reserves Forecast - Up to 2022/23					
Financial Year	Current Year £m	Budget 2019/20 £m	Forecast 2020/21 £m	Forecast 2021/22 £m	Forecast 2022/23 £m
Opening Balance	20.6	20.5	20.2	20.0	20.2
In Year Surplus / (Deficit)	(0.1)	(0.3)	(0.2)	0.2	0.0
Forecast Balance	20.5	20.2	20.0	20.2	20.2

11.7 The level of balances held over the period will be higher than the minimum level recommended. This prudent approach is being taken for a number of specific reasons, which include:

- The Council is not permitted to budget for a level of General Reserves below the minimum level determined by the S.151 Officer
- There remain continuing risks associated with the financial sustainability plans for both Adults and Children's Social Care. For example, should forecast overspending arise in 2019/20 at levels similar to the current year, which were in excess of £10m, half of the Council's Reserves could be eliminated within a single year.
- The balances are predicated on total savings (as yet unidentified) of £7.5m being achieved over the next 3 years. If those savings are not made, balances would be below the minimum level by 31 March 2023.
- It is a crucial part of the strategy to mitigate against the uncertainty of the Fair Funding Review in 2020/21 in order to avoid potentially significant "spikes" in savings requirements in any single year (as described in Section 10 above)
- The uncertainty over the level of funding generally (in particular retained Business Rates), demographic cost pressures for care services, inflation and interest rates in future years
- The uncommitted balance available in the MTRS reserve of just £8.3m¹² means there are only limited funds available to fund the implementation costs of future efficiency savings (see Section 12)

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

¹² Including the net transfers from the reserve of £2.241m contained with the recommendations of the Capital Programme 2018/19 to 2023/24 report elsewhere on this agenda

12 Medium Term Resource Strategy Reserve

- 12.1 The MTRS Reserve was originally established to fund:
- Spend to Save and Spend to Avoid Cost initiatives
 - Invest to Save capital schemes
 - Feasibility Studies where there is likely to be an efficiency gain
 - One-off redundancy costs arising from proposed savings
 - The funding of expenditure of a “one-off” nature that is critical to the successful achievement of the outcomes that the residents of Portsmouth value most highly and where no other alternative funding source is available
- 12.2 Historically, the reserve has been replenished by transfers of underspends from previous years. Under the new financial framework of retained underspendings by Portfolios, the opportunities for replenishing this reserve are now diminished. The calls on the reserve however, for smaller scale Spend to Save or Invest to Save schemes are also diminished, since these are funded from Portfolio Reserves where available. It is important that the reserve is maintained to fund larger scale Spend to Save schemes that would otherwise be unaffordable by a Portfolio.
- 12.3 It is anticipated that the main call on the MTRS Reserve over the next few years will be Invest to Save Schemes Invest to Save Schemes of a capital nature and the revenue costs associated with transforming Services. Additionally, redundancy costs will also be required, arising out of the savings needed to balance meet the £7.5m forecast Budget deficit.
- 12.4 In order to provide for future years anticipated redundancy costs (i.e. over the course of the coming year and the further 3 year forecast), satisfy the demands for Invest to Save Schemes and meet all other commitments, it is anticipated that the uncommitted balance on the MTRS Reserve will be £8.3m. Importantly, a Spend to Save (avoid cost) proposal for Children's Social Care of a substantial sum is anticipated in the near future in order to support the delivery of their Financial Sustainability Strategy.
- 12.5 In future years, for this reserve to continue in this capacity, it will be necessary to replenish it either from non Portfolio underspends or alternatively from the Revenue Budget.

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

- 13.1 Section 25 of the Local Government Act 2003 (“the Act”) requires the Chief Financial Officer to report to the City Council on the following matters:
- The robustness of the estimates included in the budget made for the purposes of setting the Council Tax; and
 - The adequacy of proposed financial reserves

- 13.2 Section 25 of the Act concentrates on uncertainties within the budget year rather than the greater uncertainties in future years. In the current economic climate, there continue to be uncertainties in both the current and future years i.e. beyond 2019/20. Particular uncertainties exist regarding the extent of successful appeals and mandatory reliefs which affect Retained Business Rates, Government Funding levels (including the outcome of the Fair funding Review and the 75% Business Rate Retention scheme), the ability of the Council to continue to make the necessary savings at the required scale and pace, the likely demographic cost pressures arising in demand driven services such as Adults and Children's Social Care and the extent to which new policy changes will be funded (most notably those arising from the Care Act). All of these uncertainties increase the need for adequate reserves and balances to be maintained in current and future years.
- 13.3 A minimum level of revenue reserves must be specified within the Budget. The Local Authority must take full account of this information when setting the Budget Requirement.
- 13.4 Should the level of reserves fall below the minimum approved sum of £8.0m as proposed in this report, either arising from an overspend in the previous year or the current year, the S.151 Officer has a duty to report this to the Council with recommendations as to the actions that should be taken to rectify the shortfall. In the most extreme of circumstances, the S.151 Officer can impose spending controls until a balanced budget is approved by the Council.

(a) Robustness of the Budget

- 13.5 In setting the Budget, the City Council should have regard to the strategic and operational risks facing the City Council. Some of these risks reflect the current economic climate and the national issues surrounding local authority funding levels.
- 13.6 Estimates and forecasts have been prepared to include all known significant financial factors over the medium term in order to inform spending decisions.
- 13.7 Assumptions for the Budget and forecasts for future years are considered to be sound and based on the best available information. These are set out in detail in Sections 8 and 10 and use the following sources as their evidence base:
- Government funding as set out in the provisional settlement for 2019/20.
 - A "no growth" assumption for Retained Business Rates from 2020/21 onwards on the basis that any income arising from growth will be offset by both appeals and reliefs
 - The 75% Business Rate Retention Pilot will run for 2019/20 only
 - An assumption that the value of successful appeals against the 2017 rating list will be the equivalent of 4.7% of the business rate multiplier.
 - Increases in Council Tax based on what is likely to be acceptable and within expected referendum limits

- Inflation on Retained Business Rates and prices in accordance with inflation estimates from the Office for Budget Responsibility
- Provisions for anticipated national policy changes arising out of the Care Act based on Portsmouth's share of "relative need"¹³
- Specific provisions for increases in demand for both Adult and Children's Social Care based on current trends
- A general provision for (as yet) unknown budget pressures based on the estimated probability of those pressures being unable to be managed within Portfolio cash limits
- Prudential borrowing requirements based on approved Capital schemes
- Revenue contributions to capital based on known commitments and estimates of future needs
- Balances and contingencies based on a risk assessment of all known financial risks

13.8 Savings contained within the Budget are those where Portfolio Holders and Directors assess the confidence level of achievement is medium and above. Savings proposals have also been subject to scrutiny by Members. Responsibility and accountability for delivering the savings rests with the relevant Portfolio Holders and Directors and progress will be monitored throughout the year as part of the Budget Monitoring process.

13.9 The most volatile budgets are those of Adult and Children's Social Care. Budget provision has been made available to cover these risks both directly within Service cash limits as well as within the City Council's overall contingency provision.

13.10 Additionally, Portfolios will be able to retain any underspendings in 2018/19 and utilise them as necessary in 2019/20 and future years for any purpose but with a clear priority to meet essential cost pressures in the first instance.

13.11 The forecasts prepared for the forthcoming and future years are robustly based and illustrate the expected costs the City Council will incur in order to deliver current levels of service.

13.12 Portfolio Holders will be given regular budget updates by Directors to ensure that action to address any potential over or underspend is taken promptly and quarterly budget monitoring reports will continue to be presented to the Cabinet.

13.13 To encourage budget discipline, all future overspendings will be deducted from any retained underspendings accumulated in Portfolio Earmarked Reserves in the first instance and once depleted from the following year's Cash Limits.

¹³ Relative need is based on the Government's "Relative Needs Formula" that is used in allocating general government funding

- 13.14 Prudential Indicators are accurately calculated based on the Council's audited Balance Sheet, notified income streams and in depth financial appraisals of proposed capital schemes. These are published and reviewed on a regular basis to ensure that the City Council complies with the concepts of Affordability, Prudence, and Sustainability. The City Council has agreed to consider Prudential Borrowing for "Spend to Save Schemes" only, as it is currently unaffordable for any other purpose given the forecast budget deficits in 2020/21 and future years.
- 13.15 Future years' budgets will remain challenging due to continued funding reductions and uncertainties. The Council's forecasts provide for a savings target of £2.5m in 2020/21, a further £2.5m in 2021/22 and a further £2.5 in 2022/23.

(b) The Adequacy of Proposed Financial Reserves

- 13.16 During 2018/19, a review of the level and nature of all revenue reserves and balances has been undertaken. All of the City Council's potential financial risks over the next few years and the probability of each risk happening has been assessed. The outcome from this review concludes the need to maintain the minimum level of General Reserves of £8.0m as at 31 March 2020 (£8.0m in the current year).
- 13.17 Balances provide a buffer against unexpected costs such as pay awards, inflation, shortfalls in income and overspends and enable the City Council to manage change without undue impact on the Council Tax or immediate reductions to services. They are a key element of strong financial standing and resilience as they mitigate risks such as increased demand and other cost pressures.
- 13.18 The level of balances held will be higher than the minimum level recommended. This prudent approach is being taken for a number of specific reasons as set out in Section 11. The position will continue to be reviewed and reported to Members on an annual basis.
- 13.19 As previously mentioned, the Council will maintain Portfolio Earmarked Reserves to retain accumulated Portfolio underspends in order that Portfolios can better manage any known or unknown cost pressures that arise. It is forecast that Portfolio Reserves will amount to £8.1m as at 31 March 2019 which will be available for 2019/20.
- 13.20 The MTRS Reserve is the Council's primary vehicle for funding Spend to Save and Spend to Avoid Costs Initiatives, Feasibility Studies and redundancy costs. Taking account of all approvals from this reserve and future estimated redundancy costs over the next 4 years, it is estimated that the Reserve will have an uncommitted balance of £8.3m. In order for this Reserve to continue in this capacity, it will be necessary to replenish it from any non Portfolio underspendings, transfers from other reserves no longer required or alternatively from the Revenue Budget.
- 13.21 The Council maintains a number of other Earmarked Reserves for specific purposes, all of which are at the levels required to meet known future commitments. The major reserves include the following:
- Revenue Reserve for Capital – to fund the Capital Programme
 - Highways PFI Reserve – to fund future commitments under that contract

- Off Street Parking Reserve – to fund investment in transport
- Insurance Reserve – to fund potential future liabilities

13.22 The Council's contingency provision for 2019/20 has been set on a risk basis at £9.5m and reflects anticipated calls on the budget where the timing and value is not yet known. The use and application of the contingency will continue to be exercised tightly.

14 Conclusion

14.1 The proposed Budget 2019/20 has been prepared to incorporate the decisions of Council in December 2018 to make savings amounting to £4m and set a Council Tax increase of 4.49%.

14.2 The decisions made by the City Council in December 2018 alongside the recommendations within this report are made as part of a co-ordinated package of measures for both the Revenue Budget and Capital Programme that are aligned with the approved Medium Term Financial Strategy with its stated aim that

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

14.3 The proposals contained within the December 2018 report and this report, now culminating in the proposed Budget for 2019/20, will:

- Balances the Budget for 2018/19, accommodating all forecast overspendings and drawing on the Council's General Reserves by just £44,000.
- Provide a suite of savings amounting to £4m of which the vast majority relate to either efficiency savings (£2.9m) or additional income (£0.8m) leaving just £0.3m, or 7%, to be achieved through service reductions
- In accordance with the Budget Consultation, provide significant protection to Education, Adults Social Care and Children's Social Care
- Provide for an overall Council Tax increase of 4.49% in 2019/20 comprising 2.99% for General Purposes and 1.5% to be passported direct to Adult Social Care services.
- That an additional £4m is allocated to Children's Social Care in recognition of the 40% plus rise in the number of Looked after Children over the past 5 years
- Provide assurance that with a 1.5% increase in Council Tax for Adult Social Care that existing and emerging cost pressures can be met and mitigation is provided to address the underlying deficit of £2.5m therefore avoiding any

further reductions to those services in 2019/20 which is critical for Adult Social Care services and the wider health system in the City

- Provide real growth in funding to Adult Social Care (after passporting the ASC Precept and additional funding for Winter Pressures and the National Living Wage)
- Support the strategies for the medium term financial sustainability of both Adults and Children's Social Care.
- Require that for 2020/21 a minimum on-going savings sum of £2.5m be made
- Supplement the Capital Resources available in 2019/20 by transferring the additional funding of £1.6m arising from the 75% Solent BRR pilot scheme to ensure that the Council's essential Capital Investment needs are met and that its priority aspirations can also be progressed.
- Provide for any further underspendings for 2018/19 arising at the year-end (outside of those made by Portfolios) to be transferred to Capital Resources in order to provide funding for known future requirements such as School Places, Sea Defences, essential maintenance for Council facilities, cultural regeneration and enabling infrastructure for the City's development. The culmination of the above results in a substantial funding shortfall but which, if addressed, is likely to have a significant transformational effect on the City's growth potential and social fabric.

14.4 The proposed Budget for 2019/20 is financially balanced, robustly based and provides sufficient cover for anticipated and potential financial risks within the year. Furthermore, the overall financial health of the Council currently remains sound providing a good degree of resilience against an uncertain future.

14.5 The challenge for the Council continues to be driven by anticipated Government funding reductions coupled with the demand led costs from essential care services. Due to prudent financial management over a number of years, the scale of those savings is now at more moderate levels and the forecast budget deficit for the 3 year period 2020/21 to 2022/23 has reduced to £7.5m amounting to £2.5m per annum for each of the next 3 years.

14.6 The essential care services of Adult Social Care and Children's Social Care continue to dominate the Council's costs at 46% of all controllable spend. Whilst innovative activities, income generation generally and improving the City's economy is a strong focus in its Medium Term Financial Strategy in its aim to avoid service reductions, all services of the Council, including essential care services, will need to continue to manage cost pressures and make meaningful contributions towards the overall £7.5m Budget Deficit.

14.7 Funding uncertainty still remains, particularly in 2020/21 when the Local Government funding system changes to 75% Business Rate Retention alongside the simultaneous implementation of the Fair Funding review; combined these have the potential to affect the Councils forecasts either positively or negatively by circa £3m.

14.8 Looking forward, the main risks to the Council's financial resilience include:

- The ability to make savings to meet the continuing anticipated real funding reductions from Government
- The demographic pressures arising from demand led essential Care Services and the ability to deliver financial sustainability strategies in Adult and Children's Social Care
- The extent to which new burdens arising from national policy changes will be fully funded
- The level of Business Rates appeals and reliefs experienced plus the extent of Business growth or contraction
- The level of uncertainty surrounding the forecast for Local Government funding from 2020/21.
- The ability of the Council to meet its statutory Capital Investment obligations and aspirations for economic growth in the future

14.9 Given the level of savings required over the next 3 years of £7.5m, the degree of uncertainty that exists and the inevitable financial pressures that the Council will face, it is important that the Council continues to follow its Medium Term Financial Strategy and maintain Reserves at adequate levels. The Council should also be particularly mindful of the potential future income or reduced demand / costs that the Council could derive through the delivery of its Capital Programme. This is likely to be the biggest influence on enabling jobs, growth and overall improved prosperity within the City.

15 Equality Impact Assessment (EIA)

15.1 Consideration of the impact of budget pressures and proposed savings on all customers, services and staff has been taken into account in formulating this budget. The proposed Budget 2019/20 is based on the savings proposals set out in the report to Council in December 2018. Those savings were proposals only for the purposes of setting Portfolio Cash Limits and the overall City Council Budget. Whilst most are likely to be implemented, there will be some that require further consultation and appropriate Equality Impact Assessments to be considered before any implementation can take place. For this reason, Portfolio holders have the discretion to alter, amend or substitute any proposal with an alternative proposal following appropriate consultation.

15.2 A city-wide budget consultation took place during October and November to help inform how to make £12m of savings over the period 2019/20 to 2021/22 as well as how the Council should prioritise its spending plans. The consultation took the form of a survey questionnaire which was also supplemented by 10 consultation events at various locations across the City. There were 8 public consultation events and 2 tailored events - one seeking the views of younger residents at Portsmouth College and another focussing on business insight. The eight public consultation events were

held at supermarkets, leisure centres and markets across Portsmouth at various times of the day. Information about the consultation was also distributed throughout the City, in libraries, housing offices and community centres.

- 15.3 The Scrutiny Management Panel also met to consider the proposals contained within this report and have the opportunity to make their representations to the Cabinet prior to their recommendation to the City Council. A public meeting of the Scrutiny Management Panel was held on the 01 February 2019 where a presentation was made of the proposed Council Tax and Revenue Budget 2019/20, the Council's future financial forecasts for 2020/21 to 2022/23 and the proposed Capital Investment plans.

16 City Solicitor's Comments

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

17 S.151 Officer's Comments

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

.....
Signed by: Section 151 Officer

Appendices:

A	General Fund Summary
B	Forecast Expenditure 2019/20 to 2022/23
C	Council Tax - Empty Property Discounts
D	Council Tax - Care Leavers Council Tax Exemption Scheme

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

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

Title of document	Location
Budget Working Papers	Office of Director of Finance & Information Technology
Local Government Finance Settlement 2019/20	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 12 February 2019.

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

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APPENDIX A

Calculation of the Council Tax 2019/20

<u>Portsmouth City Council</u>	2019/20	2018/19
	£	£
Gross Expenditure	481,710,889	486,934,953
LESS: Gross Income	(384,940,505)	(395,709,560)
Net Expenditure 2019/20	96,770,384	91,225,393
LESS: Government Grants	(17,054,314)	(16,565,834)
Council Tax Requirement - Portsmouth City Council Purposes	79,716,070	74,659,559
Council Tax Base	57,075.4	55,857.4
Council Tax - Portsmouth City Council Purposes at Band D		
<u>79,716,070</u>		
57,075.4 =	£1,396.68	£1,336.61

<u>Hampshire Police & Crime Commissioner Precept</u>	11,498,410	9,912,454
Council Tax - Hampshire Police & Crime Commissioner Purposes at Band D	£201.46	£177.46

<u>Hampshire Fire and Rescue Authority Precept</u>	3,864,575	3,672,065
Council Tax - Hampshire Fire and Rescue Authority Purposes at Band D	£67.71	£65.74

The Council Tax to be levied for all bands in 2019/20 will be as follows :

		Portsmouth City Council £	Hampshire Police & Crime Commissioner £	Hampshire Fire & Rescue Authority £	TOTAL 2019/20 £	TOTAL 2018/19 £
Estimated Valuation as 1 April 1991						
Up to £40,000	A	931.12	134.31	45.14	1,110.57	1,053.21
£40,001 - £52,000	B	1,086.31	156.69	52.66	1,295.66	1,228.74
£52,001 - £68,000	C	1,241.49	179.08	60.19	1,480.76	1,404.28
£68,001 - £88,000	D	1,396.68	201.46	67.71	1,665.85	1,579.81
£88,001 - £120,000	E	1,707.05	246.23	82.76	2,036.04	1,930.88
£120,001 - £160,000	F	2,017.43	291.00	97.80	2,406.23	2,281.95
£160,001 - £320,000	G	2,327.80	335.77	112.85	2,776.42	2,633.02
£320,001 and over	H	2,793.36	402.92	135.42	3,331.70	3,159.62

GENERAL FUND SUMMARY - 2018/19 to 2022/23

APPENDIX A

Original Budget 2018/19 £	NET REQUIREMENTS OF PORTFOLIOS	Revised Budget 2018/19 £	Original Budget 2019/20 £	Forecast 2020/21 £	Forecast 2021/22 £	Forecast 2022/23 £
24,904,800	Children & Families	24,926,600	29,600,800	34,178,800	35,151,500	36,194,100
8,993,160	Culture Leisure & Sport	8,330,960	8,917,160	9,294,460	9,560,560	9,839,460
24,294,457	Education	23,379,657	24,003,957	24,429,257	24,593,857	24,765,857
16,154,013	Environment & Community Safety	16,444,913	16,369,213	16,771,213	16,997,113	17,481,113
45,052,279	Health & Social Care	42,094,679	47,682,279	47,732,979	49,707,979	51,645,579
8,282,428	Housing	8,345,228	8,029,528	8,102,428	8,195,328	8,292,928
158,453	Leader	184,953	152,853	157,253	161,753	166,453
(4,490,371)	Planning Regeneration Economic Development	(6,181,171)	(7,700,971)	(8,783,371)	(9,684,471)	(10,023,371)
22,289,434	Resources	24,177,734	23,993,734	25,836,134	26,523,534	27,140,434
16,443,707	Traffic & Transportation	16,469,507	16,242,107	16,350,707	16,429,007	17,522,507
199,400	Governance, Audit & Standards Committee	241,800	210,200	219,300	114,600	238,100
(222,795)	Licensing Committee	(223,895)	(228,095)	(230,795)	(233,895)	(237,595)
162,058,965	Portfolio Expenditure	158,190,965	167,272,765	174,058,365	177,516,865	183,025,565
	<u>Other Expenditure</u>					
0	Precepts	0	0	39,400	40,400	41,500
(150,000)	Portchester Crematorium - Share of Dividend	(150,000)	(160,000)	(150,000)	(150,000)	(150,000)
7,672,000	Pension Costs	7,241,200	8,018,900	8,352,900	8,698,300	9,106,100
6,384,000	Contingency Provision	10,179,500	9,489,000	4,713,500	4,713,500	4,713,500
10,344,500	Revenue Contributions to Capital Reserve	7,648,300	6,600,000	2,000,000	0	0
3,155,900	Transfer to / (from) Other Reserves	6,260,300	(570,600)	1,124,100	1,396,300	396,300
(27,225,965)	Treasury Management	(30,528,865)	(28,318,765)	(25,931,665)	(24,050,165)	(24,290,565)
2,536,600	Other Expenditure	8,111,600	2,995,700	1,628,400	2,161,800	2,695,600
2,717,035	Other Expenditure	8,762,035	(1,945,765)	(8,223,365)	(7,189,865)	(7,487,565)
164,776,000	TOTAL NET EXPENDITURE	166,953,000	165,327,000	165,835,000	170,327,000	175,538,000
	FINANCED BY:					
(304,260)	Contribution (to) from Balances and Reserves	43,654	282,310	2,690,355	4,793,197	7,498,038
0	Revenue Support Grant	0	0	0	0	0
73,567,319	Business Rates Retention	73,971,976	66,700,841	66,577,515	67,454,236	68,424,771
15,827,049	Other General Grants	17,251,478	17,054,314	15,264,935	15,159,284	15,044,859
75,685,892	Council Tax	75,685,892	81,289,535	81,302,195	82,920,283	84,570,332
164,776,000		166,953,000	165,327,000	165,835,000	170,327,000	175,538,000
	BALANCES & RESERVES					
20,645,474	Balance brought forward at 1 April	20,565,824	20,522,170	20,239,860	17,549,505	12,756,308
304,260	Deduct (Deficit) / Add Surplus for Year	(43,654)	(282,310)	(2,690,355)	(4,793,197)	(7,498,038)
20,949,734	Balance carried forward at 31 March	20,522,170	20,239,860	17,549,505	12,756,308	5,258,270
8,000,000	Minimum Level of Balances	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000
(304,260)	Underlying Budget Deficit / (Surplus)	43,654	282,310	2,690,355	4,793,197	7,498,038

APPENDIX B

BUDGET AND FORECAST EXPENDITURE 2019/20 to 2022/23

	Forecast 2019/20 £'000	Forecast 2020/21 £'000	Forecast 2021/22 £'000	Forecast 2022/23 £'000
Service Cash Limits	115,404	122,188	125,644	131,150
Contingency	9,489	4,714	4,714	4,714
Debt financing costs	22,134	24,521	26,403	26,163
Levies and insurance premiums	1,416	1,418	1,420	1,422
Other income/expenditure	16,884	12,994	12,145	12,089
	165,327	165,835	170,326	175,538
<u>Less</u>				
- Council Tax Income	81,290	81,302	82,920	84,570
- Revenue Support Grant	0	0	0	0
- Business Rates Retention	66,701	66,578	67,454	68,425
- Other General Grants	17,054	15,265	15,159	15,045
	165,045	163,145	165,533	168,040
Budget (Deficit)/Surplus	(282)	(2,690)	(4,793)	(7,498)

Deficits in 2020/21 to 2022/23 reflect future savings requirements

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**Portsmouth City Council
Council Tax**

**Policy for Second Homes, Long Term Empty
Properties and determining discounts for certain
dwellings.**

Version control

<i>Version</i>	<i>Version date</i>	<i>Revised by</i>	<i>Description</i>
1	01/04/2014	Pete Middleton	Updated following Cabinet approval of changes to Council Tax regime.
1.1	09/12/2015	Matt Willis	Draft update on proposed changes to the first phase of empty dwellings - section 3.1 of this policy. Approved at Council Meeting 08/02/2016
1.2	13/02/19	Matt Willis / Steven Ranaghan	Draft. Update following full council meeting 12/02/2019 to amend the maximum empty homes premium

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Empty Homes - Policy effective from 1st April 2019	60
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Introduction

The Local Government Finance Act 2012 amends the Local Government Finance Act 1992 allowing local discretion over the implementation of certain discounts and charges applied within the Council Tax regime.

The following policy details the approach to be taken by Portsmouth City Council with effect from 1st April 2019.

Second Homes - Policy effective from 1st April 2014 to remain unchanged

The City Council under this policy will make a charge for second homes of 100% (a discount of 0%). This is the level charged from 1st April 2014.

In the following cases a charge of 50% will apply (rather than the 100%) as required by legislation;

- Dwellings which are furnished but unoccupied because the owner is liable to a Council Tax elsewhere in job-related accommodation;
- Empty but furnished dwellings of service personnel resident in accommodation provided by the Ministry of Defence;
- If the dwelling is a caravan or houseboat;
- Clergy who are required to live in accommodation provided by their employer to perform the duties of their office.

The legislation outlining the above is the Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2003 as amended by the Council Tax (Prescribed Classes of Dwellings) (England) (Amendment) Regulations 2012. The regulations require the authority to determine the classes under which a discount will be granted. For the purposes of this policy the classes and discounts to be granted by the City Council from 1st April 2014 are as follows;

Class	Descriptions	Discount
A	A dwelling; a) which is not the sole or main residence of an individual; b) which is furnished; and c) the occupation of which is restricted by the planning condition preventing occupancy for a continuous period of at least 28 days in the relevant year.	0%
B	A dwelling; a) which is not the sole or main residence of an individual; b) which is furnished; and c) the occupation of which is not restricted by the planning condition preventing occupancy for continuous period of at least 28 days in the relevant year	0%

Empty Homes - Policy effective from 1st April 2019

For Council Tax purposes, the revised legislation determines that the charge for empty dwellings will follow three phases namely;

First Phase: a period during which a dwelling will attract the discount of between 0% and 100% determined by the local authority (as a result of the measures outlined within the Local Government Finance Act 2012). If the dwelling remains empty and substantially unfurnished, this period will last up to 6¹⁴ months as determined by the authority (12 months if the dwelling in addition to being unoccupied and substantially unfurnished is undergoing major repairs¹⁵);

Second Phase: a period during which the discount attracted will be between 0% and 50%. The rules for this phase are based on the Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2003 as amended by the Council Tax (Prescribed Classes of Dwellings) (England) (Amendment) Regulations 2012. During this phase the authority can determine (in accordance with Class C of the regulations) the level of discount between 0% and 50%. The second phase will last indefinitely unless the local authority has made a determination implementing the empty homes premium.

Third Phase: an indefinite period starting when the dwelling has been empty for two years. In this phase, the liability may be increased by an additional premium¹⁶.

The City Council has resolved that the following will apply from 1st April 2019:

Where a dwelling is unoccupied and substantially unfurnished

If a dwelling becomes unoccupied and substantially unfurnished the City Council will apply a discount of 0%, requiring the full council tax charge to be payable.

Where a dwelling is unoccupied and substantially unfurnished, requiring or undergoing structural alterations or major repair works to make it habitable

(a) If a dwelling is unoccupied and substantially unfurnished, requiring or undergoing structural alterations or major repair works to make it habitable, a discount of 40% will be granted for any period up to one year so long as it remains so;

If a dwelling in (a) above remains unoccupied and substantially unfurnished for a period of greater than one year, 0% discount will be given after the end of that year.

Where a dwelling remains unoccupied and substantially unfurnished for a period of two years or more

(a) Where a dwelling remains unoccupied and substantially unfurnished for a period of two years or more, the City Council has resolved to charge an empty homes premium of the

¹⁴ This replaces Class C of the Council Tax (Exempt Dwellings) Order 1992

¹⁵ This replaces Class A of the Council Tax (Exempt Dwellings) Order 1992

¹⁶ Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018

relevant maximum in addition to the full Council Tax charge, as allowed within Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018.

For the financial year beginning 1 April 2019

The relevant maximum is 100% for dwellings that have remained unoccupied and substantially unfurnished for a period of at least 2 years.

For the financial year beginning on 1 April 2020

The relevant maximum is 100% for dwellings that have remained unoccupied and substantially unfurnished for a period of at least 2 years but less than 5 years.

The relevant maximum is 200% for dwellings that have remained unoccupied and substantially unfurnished for a period of at least 5 years.

For the financial year beginning on 1 April 2021

The relevant maximum is 100% for dwellings that have remained unoccupied and substantially unfurnished for a period of at least 2 years but less than 5 years.

The relevant maximum is 200% for dwellings that have remained unoccupied and substantially unfurnished for a period of at least 5 years but less than 10 years.

The relevant maximum is 300% for dwellings that have remained unoccupied and substantially unfurnished for a period of at least 10 years.

Publication of the changes

The City Council, in accordance with the legislation, will publish the changes to the Council Tax regime within 21 days of making such a resolution.

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**Portsmouth City Council
Council Tax**

**Policy for Care Leavers Discount Scheme
(Write-Off Procedure)**

Version control

<i>Version</i>	<i>Version Date</i>	<i>Revised by</i>	<i>Description</i>
1	08/01/2019	Matt Willis & Steven Ranaghan	Draft policy

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Support for care leavers falling into Part 1 of this scheme	66
Support for care leavers falling into Part 2 of this scheme	66
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Application Process	67
Notifying the council tax payer of any award decision	67
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Introduction

Portsmouth City Council is introducing a discount from 1 April 2019 to exempt care leavers from Council Tax. This is being implemented to reflect challenges faced by many care leavers as they learn to budget their finances independently.

Care leavers are a particularly vulnerable group for council tax debt, and as they move into independent accommodation and begin to manage their own budget, it can be a challenging time, exacerbated if they fall behind with council tax.

Portsmouth City Council, as a corporate parent, wants to support care leavers up to the age of 25, by the granting of a discretionary discount of up to 100% of the council tax liability.

This means that Portsmouth City Council will be providing financial support to care leavers whilst they develop independent lives and life skills.

To deliver this support the council will determine that following the award of council tax disregards, exemptions and discounts, including local council tax support, any remaining charge will not be recovered from the care leaver, with the remaining charge reduced to nil through the provision of write off.

This policy sets out Portsmouth City Council's approach to this support.

There are two parts to this scheme, relating to:

Part 1

- Care leavers who are sole occupants and have liability for council tax.
- Properties that are solely occupied by care leavers, where one or more of the occupants are liable for council tax.

Part 2

- Care leavers who are jointly liable with one or more other liable parties who is not a care leaver.

The support will only be applied after the entitlement to other national discounts/exemptions have been applied, and will only apply to council tax liabilities with Portsmouth City Council.

Definition of a Care Leaver for the purposes of this scheme

The term 'care leaver' is defined in The Children (Care Leavers) Act 2000 and refers to eligible, relevant and former relevant children:

- The person is someone for whom Portsmouth City Council has acted previously as a corporate parent;
- Relevant children are those young people aged 16 and 17 who have already left care, and who were 'looked after' for at least 13 weeks from the age of 14 and have been 'looked after' at some time while they were 16 or 17;
- Former relevant children are those young people aged 18, 19 or 20 who have been eligible and/or relevant.

Care leavers can also be classified as a 'qualifying' care leaver. This category applies to young people who:

- Left care after 1st October 2001, after they had turned 16, but who are not 'eligible' or 'relevant' because they did not fulfil the 13 week criteria;
- Were accommodated, but in residential education, mental/health provision private fostering or Special Guardianship.

For the purposes of this policy 'qualifying care leavers' will be treated in the same way as 'care leavers'.

Additionally former care leavers born before 2001 will be designated as a qualifying care leaver for the purposes of this policy.

Support for care leavers falling into Part 1 of this scheme

The City Council under this policy will apply a write off to the amount of council tax payable to £0.00, after the application of all other national discounts, exemptions and entitlement to local council tax support, where:

- A care leaver, as defined in this policy, is liable for council tax, and any other adult occupants also meet the definition of care leaver as described in this policy.

Support for care leavers falling into Part 2 of this scheme

The City Council under this policy will reduce the amount of council tax payable, by applying a write off up to 50% of the remaining charge, after the application of all other national discounts, exemptions and entitlement to local council tax support, where:

- One or more care leavers, as defined in this policy, are liable for council tax, and other adults occupy the property who are not care leavers.

Exclusions

- This will only apply where the property is occupied. If the property is empty, the level of discount is as defined in Portsmouth City Council's Policy for Second Homes, Long Term Empty Properties and determining discounts for certain dwellings.
- Where the care leaver is liable for more than one property, this support will only be awarded in respect of their sole or main residence.
- Where a care leaver lives in a household and the liable person would be exempt from council tax if the care leaver did not reside at the property, the full charge will be reduced to nil.

Publication of the changes

The City Council, in accordance with the legislation, will publish the changes to the Council Tax regime within 21 days of making such a resolution.

Application Process

Where data sharing consent has been provided, the Council's Children and Families Service will provide Revenues & Benefits with information to identify recipients of this support. Where this is possible, a formal application is not required, as the Council's Revenues & Benefits team will be able to establish eligibility.

For other care leavers, applicants will need to make a request, including their written authority for the Council's Children and Families Service to provide the necessary evidence to confirm eligibility.

Notifying the council tax payer of any award decision

This support will be administered by the Council's Revenues & Benefits Team, and the revised council tax charge will be notified to the council tax payer via the issue of a council tax bill.

Where an application for this support does not meet the policy's eligibility criteria, the applicant will be advised that their application has been rejected, and will be provided with an explanation of our decision.

Appeals

Portsmouth City Council will accept an appeal in writing from a care leaver, or their appointees or recognised third party acting on their behalf, or the liable party where relevant for a re-determination of its decision.

Revenues & Benefits will provide its response to any appeal within 28 days of receiving any request.

Agenda Item 8



Agenda item:

Decision maker: Cabinet
City Council

Subject: Capital Programme 2018/19 to 2023/24

Date of decision: 5th February 2019 (Cabinet)
12th February 2019 (City Council)

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

Wards affected: All

Key decision: Yes

Budget & policy framework decision: Yes

1. Executive Summary

- 1.1 In accordance with the Council's Capital Strategy and Medium Term Financial Strategy the Administration, through these proposals, have prioritised those schemes that meet the Council's statutory responsibilities and those that are most likely to drive cost reduction for the Council and innovation, economic growth and productivity for the City.
- 1.2 The Administration's new scheme proposals contained within this report will lead to additional capital investment totalling £76.6m.
- 1.3 The programme has been designed to support educational attainment by investing £10.3m into school buildings. This will provide 300 additional school places for the rising population and also meet the most critical repairs across the school estate, targeting resources at schools with the most acute needs. In addition, £9.7m is planned to be invested in older persons supported living accommodation which will meet the needs of older vulnerable people and a further £1m to acquire domestic properties in order to reduce homelessness in the City. Finally, a further £5.1m is being invested in council buildings to ensure that they remain fit for purpose including improvements to leisure facilities totalling £2.5m and £0.5m increasing and improving public toilet facilities across the City.
- 1.4 Significant investment will be made into core City transport infrastructure amounting to £3.1m. This includes an investment of grant funding totalling £1.6m into the private sector bus fleets that operate within the city which will substantially reduce nitrogen dioxide levels and lead to an improvement in air quality. Continued investment in the Local Transport Plan is also proposed to facilitate economic development by ensuring transport networks are reliable and efficient; improve road and transport safety; manage the adverse impact of transport on the environment and promote healthier

travel. Complimentary proposals to extend the "intelligent transport system" exploiting up to date technology are also planned by the Administration.

- 1.5 An investment of £2.9m in new technology and digital services is planned to enable the replacement of the Council's Enterprise Resource Planning Software¹ and the updating of Revenue and Benefits software applications. These investments will enable further transformation of the council's front and back office services and will increase capability and ensure resilience whilst reducing annual running costs. In addition the upgrading of devices used to provide public access services at various locations across the city from Windows 7 to Windows 10 is planned. This will ensure continued public access to internet enabled services such as applications for Universal Credit.
- 1.6 A range of environmental proposals totalling £10.6m are planned that seek to enhance the attractiveness of the City; improve the environment and reduce the impact that council services have upon it including a £4.8m contribution towards a new Single Material Recycling Facility; the replacement of the aging fleet of refuse vehicles with new fuel efficient low emission vehicles; measures to reduce energy consumption within council buildings, the introduction of a food waste recycling pilot for up to 8,000 households; improvements to the City Centre public realm, and proposals that will improve air quality and associated monitoring.
- 1.7 Finally, spending of £33.7m on major port related activities is planned, including the expansion of the current cruise operation which will include an extension to the existing terminal; an additional passenger access bridge and walkway, and improvements to berths.
- 1.8 The Council has the opportunity through its capital programme and borrowing powers to invest in both the regeneration of the City and cost reduction schemes for the Council itself. Capital investment needs and aspirations however, continue to significantly exceed the resources available. Importantly, there are likely to be opportunities throughout the year to lever in additional external capital funding for schemes that have strong potential to be catalytic for economic growth but only if, the Council itself can provide matched funding contributions. As a consequence, to maximise the Capital Investment opportunities for the City, the "Budget & Council Tax 2019/20 & Medium Term Budget Forecast 2020/21 to 2022/23" report, elsewhere on this agenda, proposes that any further underspending, which arises at year end, will also be used to supplement the Capital Resources available for 2019/20 and future years.

2. Purpose

2.1 The purpose of this report is to:

- Summarise the key features of the Capital Strategy approved by the City Council on 4th February 2009 and the revised Capital Investment Priorities of the City Council, approved by City Council on 24th January 2012.
- Highlight the inter-relationship between the capital programme, the revenue budget and the Medium Term Financial Strategy

¹ Supplier software support for the current version ends December 2021.

- Determine the corporate capital resources available including:
 - Adjustments for under and overspendings to the existing approved Capital Programme
 - Update the capital resources available for all new and changed grants, capital receipts, revenue contributions and other contributions
 - The identification of any additional assets which the Administration wishes to declare surplus to requirements
- Seek approval of the overall Capital Programme and "new starts" (including the Housing Investment Capital Programme) for 2019/20 and future years in accordance with the Capital Strategy
- Describe and approve the Prudential Indicators arising from the revised Capital Programme 2018/19 to 2023/24
- Delegate authority to the Section 151 Officer to alter the mix of capital funding to make best use of City Council resources

3. Recommendations

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

- 1) The Revised Capital Programme 2018/19 to 2023/24 attached as Appendix 1 which includes all additions, deletions and amendments for slippage and re-phasing described in Sections 6 and 8 be approved
- 2) The Section 151 Officer be given delegated authority to determine how each source of finance is used to fund the overall Capital Programme and to alter the overall mix of financing, as necessary, to maximise the flexibility of capital resources used and minimise the ongoing costs of borrowing to the Council
- 3) That the Section 151 Officer in consultation with the Leader of the Council be given delegated authority to release capital resources held back for any contingent items that might arise, and also for any match funding requirements that may be required of the City Council in order to secure additional external capital funding (e.g. bids for funding from Government or the Solent Local Enterprise Partnership)
- 4) The following schemes as described in Section 9 and Appendix 2 be reflected within the recommended Capital Programme 2018/19 to 2023/24 and be financed from the available corporate capital resources:

Recommended New Capital Schemes		Corporate Resources Required £	Total Scheme Value £
Education			
	Maintained Schools - Urgent Conditions Projects	1,600,000	1,770,000
	Additional Special School Places - Design	500,000	679,200
	Additional School Places in Mainstream Schools - Design	250,000	250,000
	Additional Secondary School Places - St Edmunds Catholic School - Grant	650,000	650,000
	Additional School Places - 2020/21	6,908,000	6,908,000
Culture Leisure & Sport			
	Invest in Football Facilities Including Changing Facilities	335,000	588,000
	Parks & Open Spaces Protection Measures to Prevent Incursion	50,000	50,000
	Pyramids Refurbishment	1,500,000	1,500,000
	Repair / Refurbishment of Southsea Splashpool	102,000	102,000
	World War 1 Memorial Plaques	45,000	45,000
	Contribution to Roof at Southsea Skatepark	10,000	10,000
	Contribution to Architectural Design to Enable Regeneration of the Guildhall	40,000	40,000
	Contribution to Architectural Design to Enable Regeneration of the Kings Theatre	40,000	40,000
	Provision of a Dog Exercise and Training Area	11,000	11,000
Environment & Community Safety			
	Air Quality Initiatives	150,000	150,000
	Air Quality Equipment & Monitoring Station	100,000	100,000
Health & Social Care			
	Older Persons Supported Living (Extra Care Housing)	4,600,000	9,730,000
	Kestrel Centre Relocation to Civic Offices	350,000	350,000
Housing & Property Services			
	Homes For Homeless	500,000	1,000,000
PRED			
	Brougham Road (Arts Centre) - External Repairs	300,000	300,000
	Public Realm - Improvements to Station Square & Isambard Brunel Road	250,000	250,000
Resources			
	Review of Revenues & Benefits Software Applications	188,000	188,000
	Landlord's Maintenance 2019/20	1,750,000	1,750,000
	The People's Network - Windows 10 Upgrade	350,000	350,000
Traffic & Transportation			
	Local Transport Plan 3	650,000	650,000
	Extension to Park & Ride Multi Story Car Park - Design	350,000	350,000
	Smart Cities: Intelligent Transport System Phase 2	200,000	200,000
	The Hard Interchange Auxiliary Works	300,000	300,000
Total Recommended Sum To Be Approved		22,079,000	28,311,200

- 5) Subject to a satisfactory financial appraisal approved by the Director of Finance & Section 151 Officer the following schemes as described in Section 10 be funded from Prudential Borrowing up to the amounts shown

	Total Prudential Borrowing £
Single Material Recycling Facility	4,838,400
Waste Collection Vehicle Replacement	4,125,000
Older Persons Supported Living (Extra Care Housing)	2,836,000
Homes For Homeless	500,000
Development of Cruise & Ferry Port	12,700,000
Passenger Boarding Bridge	5,000,000
Total Recommended Sum To Be Approved	29,999,400

- 6) That borrowing for a sum of £15m be approved in principle for Capital Investment into MMD Ltd but subject to the approval by Cabinet on their preferred option for the MMD site which is to be considered at a future meeting of the Cabinet
- 7) In the event that the Cabinet continue to operate MMD, that £15m be made available as a loan draw down facility subject to a satisfactory financial appraisal approved by the Director of Finance & Section 151 Officer, as outlined in Section 10, and provided at an interest rate consistent with State Aid rules
- 8) Subject to a satisfactory financial appraisal approved by the Director of Finance & Section 151 Officer the following schemes as described in Section 11 be funded from the MTRS Reserve

Scheme	Total MTRS Funding £
Enterprise Resource Planning (ERP) Software Replacement	1,000,000
Utilities & Energy Management 2019/20	1,050,000
Enable and Improve Mobile Working	191,000
Total Recommended Sum To Be Approved	2,241,000

- 9) The following schemes as described in Section 12 be funded from Earmarked Reserves

Scheme	Total Funding From Earmarked Reserves £
Enterprise Resource Planning (ERP) Software Replacement	1,000,000
Enable Mobile Working	182,000
Older Persons Supported Living (Extra Care Housing)	1,000,000
Total Recommended Sum To Be Approved	2,182,000

- 10) The following Schemes as described in Section 14 be included within the "Reserve List" of Capital Schemes to be considered once additional capital resources are identified

Future Priority Capital Schemes – Not in Priority Order
Additional School Places in Primary & Secondary Schools
Anti-Poverty Projects
Development of Performing Arts
Digital Strategy (incl. move to cloud based Information Technology systems)
Landlord's Repairs & Maintenance
Local Transport Plan - Road safety and traffic improvement schemes
Park Life
Sea Defences
School condition (roofs, boilers, electrics, windows etc)
The Camber Quay Berth 4 Replacement

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

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

- 1) The passported Capital Allocations (Ring-fenced Grants) as set out in Section 7
- 2) That Cabinet Members, in consultation with the Section 151 Officer, have authority to vary Capital Schemes and their associated funding within their Portfolio in order to manage any potential overspending or funding shortfall or to respond to emerging priorities
- 3) As outlined in Section 9 and Appendix 2 that the Director of Housing, Neighbourhood & Building Services will work with other Directors to further prioritise the schedule of identified Landlord's Maintenance works to ensure that those with the highest priority are undertaken up to the value of the £1.75m allocated
- 4) As outlined in Section 13 and Appendix 2 the release of £444,200 from the Environment & Community Safety Portfolio Reserve towards a £380,000 scheme for the provision of Public Toilets (£200,000); Replacement of WC Hand Washing and Drying Units (£130,000) and a Food Waste Recycling Pilot (£114,200)
- 5) As outlined in Section 13 and Appendix 2 the release of £1m from the PRED Portfolio Reserve towards a £6m scheme for a new Passenger Boarding Bridge
- 6) The City Council note that Prudential Borrowing can only be used as a source of capital finance for Invest to Save Schemes as described in Sections 8 and 15

4. Background

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

- Contribution to the Corporate Plan & Vision for Portsmouth for non-commercial activities (Replaced by "Plan on a Page")
- Rate of return and payback for commercial activities
- Retention of Community Assets

- Retention and maintenance of Heritage Assets
- The extent and level of surety of external funding
- The use of Capital Investment Options Appraisal
- A whole life cost approach to Capital Investment
- Delivery of Value for Money
- The approach to risk - the expected benefits must outweigh the risk
- Any overspendings on approved Capital Schemes being the first consideration for the use of any available capital resources

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

- **Category 1** - Programmes of a recurring nature that are essential to maintain operational effectiveness
- **Category 2** - Specific schemes that:
 - Have a significant catalytic potential to unlock the regeneration of the City
 - Are significant in terms of the Council strategies that they serve
 - Are significantly efficiency generating
 - If not implemented would cause severe disruption to Service delivery

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

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

4.5 The next large physical regeneration projects planned by the City Council over the next 5 - 10 years are the seafront development and improvements to transport infrastructure to enable city development and growth. The seafront development includes improvement of sea defences and key sites identified in the Seafront Master Plan. Consistent with this plan, the Council expects to be awarded £77m by The Environment Agency to complete improvements to the sea defences along Southsea Seafront leading to the protection of 8,000 properties from flooding. To unlock the

economic potential of the City, the Council will also seek to embark on the first transport phase of a wider project to regenerate the City Centre.

- 4.6 Other regeneration schemes in the pipeline include housing and employment space developments at Port Solent, Tipner and Horsea under the City Deal Programme and the continued development of a Business Park at Dunsbury Hill Farm.
- 4.7 There remain significant future capital obligations and aspirations. These include schemes such as the following where funding has yet to be identified to meet them in full but which will likely require funding in the short or medium term:

Capital Scheme - Significant Obligation / Aspiration	Unfunded Requirement £m
Additional School Places - Primary & Secondary	0 - 5.0
Anti-Poverty Projects	0.4
Development of Performing Arts	6.0 - 10.0
Digital Strategy (incl. move to cloud based Information Technology systems)	2.0 - 3.5
Landlord's Maintenance	2.0 - 4.0
Local Transport Plan - road safety and traffic improvement schemes	1.5 - 2.0
Park Life	2.0 - 4.0
Sea Defences	0 - 25.0
The Camber Quay Berth 4 Replacement	1.8 - 2.0
Total Funding Requirement	15.7 - 55.9

- 4.8 The scale of the funding required for these obligations and aspirations is such that it far outstrips the annual capital grant funding, capital receipts and CIL contributions that the Council receives (circa £7m per annum) plus any Government funding which may be available for school places. With potentially available capital funding of £7m versus core obligations and aspirations of between £15.7m to £55.9m of Capital Investment, there is a hugely significant shortfall ("Capital Gap") to be met.
- 4.9 Given that some of this Capital investment is likely to have a transformational effect on the City's growth, there is a recommendation elsewhere on this agenda, to transfer any further underspending in 2018/19 arising at the year-end (outside of those made by Portfolios) to Capital Resources in order to provide funding for both the Council's statutory obligations and also to transform the City's growth potential.

5. Considerations in Formulating the Revised & Future Capital Programme

- 5.1 In considering the revised Capital Programme for 2018/19 and the future Capital Programme for 2019/20 to 2023/24, the following factors have been taken into account:
- The Medium Term Financial Strategy with its bias towards innovative activities and driving regeneration
 - The Council's Capital Strategy, which informs the capital investment needs, priorities and aspirations of the Council

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

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

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

6. Revised Capital Programme – 2018/19 to 2023/24

6.1 Since the revised Capital Programme 2017/18 to 2022/23 was approved in February 2018, other schemes that have not required corporate capital resources have been added to the recommended Capital Programme shown in Appendix 1. These schemes have been funded from sources such as Specific Grants, Contributions or other scheme specific capital resources.

6.2 The Capital Programme approved in February 2018 (incorporating the Housing Investment Programme) has been further revised to reflect additions, changes, under and overspendings, slippage and revised phasing of capital schemes. Further details of these changes are set out in Section 8. The revised capital programme for 2018/19 and beyond is attached at Appendix 1 and is recommended for approval.

7. Passported Capital Allocations (Grants)

7.1 Set out below is the current position on all new ring-fenced Grant Allocations for 2018/19. The allocation is passported directly to the relevant Portfolio/Board so that they can be applied in accordance with the conditions for their use.

Grant	Grant Description	Allocation £
Children's & Education Services:		
Devolved Formula	Devolved Formula Capital Grant (DFCG) is a grant that allocates capital funding to schools. The grant is used to fund capital improvements/maintenance, remodelling and/or new build. (announcement of 2019/20 is awaited)	178,800
Health & Wellbeing Board:		
Disabled Facilities Grant	To be allocated in accordance with the arrangements for the distribution of the Better Care Fund (announcement of 2019/20 is awaited)	1,947,300
Total		1,861,100

8. Forecast of Corporate Capital Resources (Non Passported) 2018/19 & Beyond

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

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

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

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

Contributions to Corporately Pooled Resources	Full Year Grant Allocation £'000s	Grant Allocated in Previous Years £'000s	Available Resources To Be Pooled
Education			
LA Basic Need			
2019/20	2,927	(2,927)	0
2020/21	7,807	0	7,807
DfE Capital Maintenance			
2018/19	0	(217)	(217)
2019/20	736	0	736
2020/21	700	0	700
Housing			
Housing Capital Receipts			49
Traffic & Transport			
Local Transport Plan (Integrated Transport)			
2019/20	1,851	0	1,851
CIL			4,800
Total Contribution to Corporate Pool			15,726

- 8.6 It should be noted that:
- the maintenance element of the Local Transport Plan (LTP) has not been pooled and is earmarked to fund part of the Unitary Charge paid to Ensign under the

Highways PFI contract. This amounts to £1.151m in 2019/20. The Council has not yet been notified whether an allocation from the Pothole Action Fund will be received in 2019/20, however any award will also be earmarked to fund the Unitary Charge paid to Ensign.

- that the Administration has relied on all of the LA Basic Need Grant for the year 2020/21 to fund scheme proposals for additional school places required over the medium term.

Revenue Reserve for Capital & Revenue Contributions to Capital

- 8.7 The Revenue Reserve for Capital has been built up over a number of years from Revenue Contributions to finance capital schemes and as at 31st March 2018 stood at £38.8m. Sums are transferred into this reserve in advance and then drawn from the reserve once the capital expenditure is incurred.
- 8.8 The balance on the Revenue Reserve for Capital and Revenue Contributions from/to this reserve have been taken into account in arriving at the overall level of capital resources available.

Changes to the Existing Capital Programme

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

Underspendings:

- Civic Offices' Refurbishment
- Assistive Technology

Overspendings / Funding Shortfalls:

- Purchase of Linkspan 3
- Swift Software Replacement
- Oakdene Purchase & Remodelling
- Limberline Phase III
- HRA General Needs New Build Accommodation

In Year Additions:

- Air Quality - Private Sector Bus Fleet Retrofitting
- Air Quality Infrastructure Improvements
- Albert Johnson Quay Fender Modification
- CCTV Upgrade
- City Museum Playground
- Civic Offices Public Address System
- Guildhall Capital Works
- D Day Landscaping Works

- Dunsbury Hill Farm - Plot 3
- Redeployable Speed Enforcement Cameras
- Enhancements to Cycle Routes Across the City
- Ground Floor Reception Improvements
- Local Full Fibre Network Project
- Southsea Seafront Emergency Work to Sea Defences
- On Street Residential Electric Vehicle Charging Points
- Portsmouth Hive Project
- Track Resurfacing - Mountbatten Centre & Bransbury Park
- Transport Data Geographic Information System

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

Prudential Borrowing

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

Capital Receipts

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

- Capital receipts have only been assumed for the disposal of assets that have been approved by Members
- Capital receipts are only assumed where they are expected to be realised within a reasonable timeframe since there are inherent risks associated with changing circumstances over longer time periods
- Some of the more significant capital receipts being relied upon to fund the current capital programme include:
 - Harbour School Fratton
- Revisions to reflect the current financial conditions in the property market

Corporate (Non ring-fenced Capital Grants)

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

Summary of Total Available Capital Resources

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

CORPORATE CAPITAL RESOURCES AVAILABLE	£'000s
Corporate Capital Resources (including "Pooled Resources")	22,079
Add: Funds Released from Uncommitted Schemes	Nil
Total Corporate Capital Resources Available	22,079

9. Priority Capital Schemes – 2019/20 & Beyond (Corporate Resources)

9.1 The programme has been specifically designed to support educational attainment by investing £10.3m into school buildings. This will provide 300 additional school places for the rising population, and also meet the most critical repairs across the school estate, targeting resources at schools with the most acute needs.

9.2 The Administration also plan to support some of the most vulnerable adults within the community by investing £9.7m in new purpose built older persons living accommodation which will meet the needs of vulnerable people enabling them to live the life they want to live and by investing a further £1m in domestic properties to reduce homelessness in the City.

9.3 A range of environmental proposals are also planned by the Administration that seek to enhance the attractiveness of the city by reducing air pollution and improving the City Centre Public realm.

9.4 Significant investment into other core services such as transportation and leisure services are planned, including: funding for design work which will increase the capacity of the Park and Ride by approximately 1,000 spaces by creating a multi-storey car park at the site; investment in intelligent transport systems, which will integrate communication technologies with transport infrastructure and vehicles with consequent improvements in safety, network management, information provision and environmental management, leading to improved management of traffic and other road users whilst minimising the impact of incident and maintenance activities; investment in leisure facilities including football facilities and associated changing facilities along with significant investment in the refurbishment of the Pyramids centre and Southsea Splashpool to ensure that they remain viable over the medium term and ensure a safe play environment for young children.

9.5 As described in Section 8, the Administration have “stretched” the Capital Resources available by relying on future years’ capital grant allocations. The consequence, therefore, of delivering these high impact schemes is to reduce the resources that would otherwise be available in future years. The Administration considers that this is the best way of utilising capital resources in accordance with the Capital Strategy.

9.6 At this time, the Administration is recommending the allocation of £22.079m to the following new capital schemes, which it deems to be of particular importance to the delivery of its Capital Strategy:

Capital Scheme	Capital Strategy Short / Medium Term Need & Priority or Long Term Aspiration (Portsmouth Vision)	Corporate Resource Allocation £	Total Scheme Value £
Maintained Schools - Urgent Conditions Projects	Category 1 - short / Medium Term Need & Priority - Raise Standards in English & Maths through maintenance and enhancement of the learning environment. Ensuring that buildings are in the right condition and are suitable for learning needs	1,600,000	1,770,000
Additional Special School Places - Design	Category 1 - short / Medium Term Need & Priority - Raise Standards in English & Maths through maintenance and enhancement of the learning environment. Ensuring that buildings are in the right condition and are suitable for learning needs	500,000	679,200
Additional School Places in Mainstream Schools - Design	Category 1 - short / Medium Term Need & Priority - Raise Standards in English & Maths through maintenance and enhancement of the learning environment. Ensuring that buildings are in the right condition and are suitable for learning needs	250,000	250,000
Additional Secondary School Places - St Edmunds Catholic School - Grant	Category 1 - short / Medium Term Need & Priority - Raise Standards in English & Maths through maintenance and enhancement of the learning environment. Ensuring that buildings are in the right condition and are suitable for learning needs	650,000	650,000
Additional School Places - 2020/21	Category 1 - short / Medium Term Need & Priority - Raise Standards in English & Maths through maintenance and enhancement of the learning environment. Ensuring that buildings are in the right condition and are suitable for learning needs	6,908,000	6,908,000
Invest in Football Facilities Including Changing Facilities	Category 1 - Short / Medium Term Need & Priority - Contributes to multiple priorities via the comprehensive management of the asset base and provide buildings for all services that are in the right place, condition and are suitable for their purpose	335,000	588,000
Parks & Open Spaces Protection Measures to Prevent Incursion	Category 2 - short / Medium Term Need & Priority - Regenerate the City by improving facilities, encouraging tourism and investment	50,000	50,000
Pyramids Refurbishment	Category 2 - short / Medium Term Need & Priority - Regenerate the City by improving facilities, encouraging tourism and investment	1,500,000	1,500,000
Repair / Refurbishment of Southsea Splashpool	Category 2 - short / Medium Term Need & Priority - Regenerate the City by improving facilities, encouraging tourism and investment	102,000	102,000
World War 1 Memorial Plaques	Category 1 - Short / Medium Term Need & Priority - Contributes to multiple priorities via the comprehensive management of the asset base and provide buildings for all services that are in the right place, condition and are suitable for their purpose	45,000	45,000
Contribution to Roof at Southsea Skatepark	Category 2 - short / Medium Term Need & Priority - Regenerate the City by improving facilities, encouraging tourism and investment	10,000	10,000
Contribution to Architectural Design to Enable Regeneration of the Guildhall	Category 2 - short / Medium Term Need & Priority - Regenerate the City by improving facilities, encouraging tourism and investment	40,000	40,000
Contribution to Architectural Design to Enable Regeneration of the Kings Theatre	Category 2 - short / Medium Term Need & Priority - Regenerate the City by improving facilities, encouraging tourism and investment	40,000	40,000
Provision of a Dog Exercise and Training Area	Category 2 - short / Medium Term Need & Priority - Regenerate the City by improving facilities	11,000	11,000
Air Quality Equipment & Monitoring Station	Category 2 - short / Medium Term Need & Priority - Regenerate the City by improving facilities, encouraging tourism and investment	100,000	100,000
Air Quality Initiatives	Category 2 - short / Medium Term Need & Priority - Regenerate the City by improving facilities, encouraging tourism and investment	150,000	150,000

Capital Scheme	Capital Strategy Short / Medium Term Need & Priority or Long Term Aspiration (Portsmouth Vision)	Corporate Resource Allocation £	Total Scheme Value £
Older Persons Supported Living (Extra Care Housing)	Category 1 - Short / Medium Term Need & Priority - Contributes to multiple priorities via the comprehensive management of the asset base and provide buildings for all services that are in the right place, condition and are suitable for their purpose	4,600,000	9,730,000
Kestrel Centre Relocation to Civic Offices	Category 1 - Short / Medium Term Need & Priority - Contributes to multiple priorities via the comprehensive management of the asset base and provide buildings for all services that are in the right place, condition and are suitable for their purpose	350,000	350,000
Homes For Homeless	Category 1 - Short / Medium Term Need & Priority - Contributes to multiple priorities via the comprehensive management of the asset base and provide buildings for all services that are in the right place, condition and are suitable for their purpose	500,000	1,000,000
Brougham Road (Arts Centre) - External Repairs	Category 1 - Short / Medium Term Need & Priority - Contributes to multiple priorities via the comprehensive management of the asset base and provide buildings for all services that are in the right place, condition and are suitable for their purpose	300,000	300,000
Public Realm - Improvements to Station Square & Isambard Brunel Road	Category 1 - Short / Medium Term Need & Priority - Contributes to multiple priorities via the comprehensive management of the asset base and provide buildings for all services that are in the right place, condition and are suitable for their purpose	250,000	250,000
Review of Revenues & Benefits Software Applications	Category 1 - Short / Medium Term Need & Priority - Contributes to multiple priorities by ensuring "back office" infrastructure is suitable for purpose	188,000	188,000
Landlord's Maintenance 2019/20	Category 1 - Short / Medium Term Need & Priority - Contributes to multiple priorities via the comprehensive management of the asset base and provide buildings for all services that are in the right place, condition and are suitable for their purpose	1,750,000	1,750,000
The People's Network - Windows 10 Upgrade	Category 1 - Short / Medium Term Need & Priority - Contributes to multiple priorities by ensuring "back office" infrastructure is suitable for purpose	350,000	350,000
Local Transport Plan 3	Category 1 - Short / Medium Term Need & Priority - Contributes to multiple priorities by ensuring "back office" infrastructure is suitable for purpose	650,000	650,000
Extension to Park & Ride Multi Story Car Park - Design	Category 1 - Short / Medium Term Need & Priority - Contributes to multiple priorities via the comprehensive management of the asset base and provide buildings for all services that are in the right place, condition and are suitable for their purpose	350,000	350,000
Smart Cities: Intelligent Transport System Phase 2	Category 1 - Short / Medium Term Need & Priority - Contributes to multiple priorities via the comprehensive management of the asset base and provide buildings for all services that are in the right place, condition and are suitable for their purpose	200,000	200,000
The Hard Interchange Auxiliary Works	Category 1 - Short / Medium Term Need & Priority - Contributes to multiple priorities via the comprehensive management of the asset base and provide buildings for all services that are in the right place, condition and are suitable for their purpose	300,000	300,000
		22,079,000	28,311,200

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

- Description of the Scheme and its key aims
- The total cost of the scheme including funding from other sources
- The net cost of the scheme to be funded from Corporate Capital Resources
- Any additional on-going revenue costs/savings associated with the scheme

9.8 A firm capital allocation of £1.75m has been included within Appendix 2 in respect of 2019/20 Landlord's Maintenance works. The Director of Housing, Neighbourhood & Building Services will work with other Directors to prioritise the schedule of identified

works to ensure that those with the highest priority are undertaken up to the value of the £1.75m allocated.

10. New Capital Schemes To Be Funded From Prudential Borrowing

10.1 The following schemes meet the Prudential Borrowing Criteria outlined at paragraph 8.11 and it is recommended that prudential borrowing up to the limit shown for each scheme is approved.

Capital Scheme	Capital Strategy Short / Medium Term Need & Priority or Long Term Aspiration (Portsmouth Vision)	Prudential Borrowing Required £
Single Material Recycling Facility	Category 1 - Short / Medium Term Need & Priority - Contributes to multiple priorities by improved efficiency	4,838,400
Waste Collection Vehicle Replacement	Category 1 - Short / Medium Term Need & Priority - Contributes to multiple priorities by improved efficiency	4,125,000
Older Persons Supported Living (Extra Care Housing)	Category 1 - Short / Medium Term Need & Priority - Contributes to multiple priorities via the comprehensive management of the asset base and provide buildings for all services that are in the right place, condition and are suitable for their purpose	2,836,000
Homes For Homeless	Category 1 - Short / Medium Term Need & Priority - Contributes to multiple priorities via the comprehensive management of the asset base and provide buildings for all services that are in the right place, condition and are suitable for their purpose	500,000
Development of Cruise & Ferry Port	Category 2 - short / Medium Term Need & Priority - Regenerate the City by improving facilities, encouraging tourism and investment	12,700,000
Passenger Boarding Bridge	Category 2 - short / Medium Term Need & Priority - Regenerate the City by improving facilities, encouraging tourism and investment	5,000,000

10.2 There is an expected Capital Investment requirement for MMD amounting to £15m over the next 10 years. Currently forecast losses at MMD amount to £3.0m as MMD progresses through a transition phase since the loss of its largest customer (Geest - who reluctantly left due to MMD being unable to accommodate their revised scheduling requirements alongside all other existing customer requirements). This is causing the business to experience financial losses whilst it seeks to diversify its client and product handling base. The forecast position for MMD in 2019/20 is forecast to reduce significantly with new business from Seatrade, MHI Vestas and other potential business in advanced stages of negotiations. MMD is expected to return to profit in 2020/21 and improving in future years but subject to further capital investment. An overall strategic review of the MMD site, facilitated by independent consultants, is in its final stages of completion and will be the subject of a report to Cabinet in the near future. The review has evaluated a long list of options, including:

1. Liquidating MMD
2. Retaining MMD
3. Liquidate MMD and sell site for residential use
4. Liquidate MMD and rent site for industrial use
5. Liquidate MMD and expand the Cruise and Ferry Port

6. Liquidate MMD and expand the Cruise and Ferry Port and use part of the site for non-fruit cargo

The emerging conclusions are that the continuation of MMD is likely to deliver the greatest overall financial return to the City Council over both a 5 and 20 year period in both an expected and pessimistic scenario and having taken account of all costs including all capital investment requirements and all borrowing costs associated with that capital investment. The likely level of risk associated with the delivery of these returns has been assessed as medium in the expected scenario and low to medium in the pessimistic scenario.

Borrowing for Capital Investment of £15m over a 10 year period is recommended for approval in principle with that borrowing being conditional on the approval by Cabinet of their preferred option for the MMD site (i.e. to continue to operate MMD). Subject to that approval, the following is also recommended as the criteria under which any loans are advanced:

1. Any draw down from the loan facility must first demonstrate, by way of a Business Case and proper Financial Appraisal approved by the S.151 Officer, that:
 - a) The 20 Year Business Plan demonstrates the continuing viability of MMD and that the continued operation of MMD continues to deliver the best financial return compared with all other viable alternatives
 - b) The Capital Investment is necessary either for the sustainability of existing income streams or for the generation of additional income
 - c) The proposed Capital Investment itself represents the most favourable return when assessed against the balance of:
 - The financial return on a Net Present Value basis and over the whole life of the asset created versus other potential options for the same outcome
 - The relative risk of each alternative option
2. The Council loan being provided at a rate consistent with State Aid rules

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

- 11.1 Subject to a satisfactory financial appraisal approved by the Director of Finance & Section 151 Officer it is proposed that three schemes receive funding via the MTRS Reserve as follows:
 - Replacement of the council's ERP (Enterprise Resource Planning) Software is estimated to cost £2m. It is proposed that £1m of this is met from the MTRS Reserve as it is expected to result in future savings of £350,000 per annum. See appendix 2 for further details.

- An investment of £1.05m is planned into Utilities and Energy Management which will reduce energy consumption within Council buildings. A volume reduction in energy usage with a value of approximately £140,000 per annum is expected, as a consequence it is proposed that the cost of the proposal is met from the MTRS Reserve. See appendix 2 for further details.
- To enable and improve mobile working within the Education Portfolio an investment in mobile working enabled IT equipment is planned at a cost of £191,000. Following this investment, savings of £48,000 per annum are anticipated. It is proposed that the cost of this investment is met from the MTRS Reserve. See appendix 2 for further details.

12. New Capital Schemes to be Funded From Earmarked Reserves

- 12.1 It is proposed that Earmarked Reserves are used to fund £1m of a £2m scheme to provide an ERP (Enterprise Resource Planning) Software Replacement; £182,000 scheme to Enable Mobile Working in Adult Social Care, and £1m of a £9.7m scheme to provide Older Persons Supported Living (Extra Care Housing), as set out in more detail in Appendix 2.

13. New Capital Schemes to be Funded From Portfolio Reserve

- 13.1 City Council note a contribution of £200,000 from the Environment & Community Safety Portfolio Reserve towards an investment of £380,000 to provide additional Public Toilets across the City; a contribution of £130,000 for the Replacement of WC Hand Washing and Drying Units, and £114,200 for a Food Waste Recycling Pilot, as set out in more detail in Appendix 2.
- 13.2 City Council note a contribution of £1m from the Planning Regeneration & Economic Development Portfolio Reserve towards an investment of £6m for a new Passenger Boarding Bridge at the Commercial Ferry Port, as set out in more detail in Appendix 2.

14. Future Priority Capital Schemes

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

Future Priority Capital Schemes – Not in Priority Order
Additional School Places - Primary & Secondary
Anti-Poverty Projects
Development of Performing Arts
Digital Strategy (incl. move to cloud based Information Technology systems)
Landlord's Repairs and Maintenance
Local Transport Plan - Road safety and traffic improvement schemes
Park Life
Sea Defences
School Condition (roofs, boilers, electrics, windows etc)
The Camber Quay Berth 4 Replacement

15. Prudential Borrowing and Prudential Indicators

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

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

15.2 Prudential Borrowing requires that the capital investment of the Authority remains within sustainable limits and that the revenue consequences, including both debt financing and other revenue costs, are affordable over the long term. In considering the affordability of its Capital plans, the Authority must consider all of the resources currently available to it and estimated for the future, together with the totality of its capital plans, revenue income and revenue expenditure forecasts for the forthcoming year and the following two years as a minimum. The Authority is also required to consider known significant variations beyond this timeframe and pay due regard to risk and uncertainty.

15.3 Whilst the City Council is able to set a balanced budget in 2019/20 current forecast revenue deficits amount to £2.7m in 2020/21, £4.8m in 2021/22 and £7.5m in 2022/23. This means that until such time as the Council is able to balance its budget over the medium term, it is unable to demonstrate that it can afford any additional borrowing costs over that period and therefore cannot demonstrate compliance with the affordability test of the Prudential Code. Prudential Borrowing is available however, for Invest to Save Schemes.

15.4 The Secretary of State has reserve powers to impose regulations on Local Authorities if it feels that an Authority is either not compliant with the code or if it is in the national economic interest. These reserve powers include:

- National Borrowing Limits – if there are national economic reasons
- Borrowing Limits for an individual Authority
- Limits set either nationally or locally for different kinds of borrowing
- Any headroom that a Local Authority has under National Borrowing Limits that may be transferred between Authorities

15.5 The Prudential Indicators of the Council are determined largely from its Capital Investment decisions. The 4 indicators are presented in Appendix 3 for approval. In summary, the Council's indicators illustrate that its current Capital Programme is affordable. Further details setting out what each indicator shown in Appendix 3 represents is set out below

Ratio of Financing Costs to Net Revenue Stream

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

Capital Financing Requirement (CFR)

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

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

Housing Revenue Account (HRA) Limit on Indebtedness

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

Authorised Limit for External Debt & Operational Boundary for External Debt

The Council's Limit for External Debt, recommended for 2019/20, should be broadly equivalent to its underlying need to borrow (described above) but should allow for a little headroom in excess of it. This has been set accordingly. Furthermore, the Operational Boundary for external debt serves as an early warning tool to highlight whether the External Limit is nearing a breach. This therefore, is set at the level to which external debt is more likely to be.

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

Demonstrates the impact new capital schemes starting in 2019/20 (included in Appendix 2) will have upon the level of the Council Tax/Housing Rents (i.e. Cost of any Prudential Borrowing and the net revenue cost/saving arising upon completion of schemes).

16. Conclusion

- 16.1 The Capital Programme and new capital schemes recommended as part of this report attempt to strike the right balance between meeting the short and medium term needs and priorities of the Council and the longer term aspirational vision for the City.
- 16.2 As a whole, the Capital Programme is designed to drive economic growth, support schools in their pursuit of improved educational attainment, generate savings and income for the Council in order to protect services from cuts and continue to protect the vulnerable in society. The programme is clearly aligned with the Medium Term Financial Strategy and the approved Capital Strategy.
- 16.3 This programme sets out the future Capital Investment agenda for the Council. It looks beyond the coming year and uses a financial framework for allocating capital resources based on the concept of pooling non-ring fenced resources so that there is greater transparency and choice for new capital investment with greater opportunity for enhanced outcomes for residents.

17. Equality Impact Assessment

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

18. City Solicitor's Comments

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

19. S.151 Officer's Comments

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

Chris Ward

Director of Finance and Information Technology & Section 151 Officer

Background List of documents –

Section 100D of the Local Government Act 1972

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

<i>Title of document</i>	<i>Location</i>
Capital 2019/20	Office of Deputy Director of Finance
Capital Strategy 2008 – 2018	Council's Web Site
Capital Investment Aspirations & Priorities 2011/12 and the Future	Council's Web Site

The recommendations set out above were approved/ approved as amended/ deferred/ rejected by the City Council on 12th February 2019

Signed: -----

**CAPITAL
PROGRAMME
&
FINANCING**

2018/19 - 2023/24

Summary of Capital Programme (All Services)	Expenditure to 31 March 18 £	Revised Estimate 2018/19 £	Estimate 2019/20 £	Estimate 2020/21 £	Estimate 2021 / 22 £	Estimate 2022 / 23 £	Estimate 2023 / 24 £	Expenditure in Subsequent Years £	Final Cost £
Children's Social Care	318,504	2,050,320	135,176	37,000	37,000	37,000	37,000	0	2,652,000
Culture, Leisure & Sport	9,617,269	2,997,137	3,841,055	3,040,000	0	0	0	0	19,495,461
Education	43,859,676	13,775,535	14,250,200	13,551,700	2,880,300	271,600	0	0	88,589,011
Environment & Community Safety	12,744,828	14,879,794	19,258,568	18,469,972	19,692,935	16,124,726	12,041,700	17,090,340	130,302,863
Health & Social Care (Adults Services)	2,517,062	2,982,624	2,666,903	5,657,597	2,820,000	210,000	0	0	16,854,186
Planning Regeneration & Economic Development	278,905,239	68,662,854	108,796,184	57,810,385	0	0	0	122,240	514,296,902
Commercial Port	13,865,768	5,492,859	10,350,966	10,200,000	2,000,000	2,000,000	0	0	43,909,593
Resources	29,164,191	7,250,668	21,480,523	11,902,786	0	0	0	0	69,798,168
Traffic & Transportation	52,396,492	13,950,972	11,509,189	2,685,647	1,964,682	4,008,173	5,935,404	19,932,358	112,382,918
Total Capital Programme (Excluding Housing Investment Programme)	443,389,029	132,042,763	192,288,764	123,355,087	29,394,917	22,651,499	18,014,104	37,144,938	998,281,102
Housing Investment Programme	198,793,366	35,069,862	33,428,365	33,213,822	28,348,886	30,093,778	32,159,249	32,128,953	423,236,281
Total Capital Programme	642,182,395	167,112,625	225,717,129	156,568,909	57,743,803	52,745,277	50,173,353	69,273,891	1,421,517,382

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Analysis of Programme by Source of Finance

Unsupported Borrowing		65,970,572	53,264,901	27,610,758	8,945,302	2,271,427	75,706	105,780	158,244,446
Corporate Reserves (Including Capital Receipts)		18,698,681	18,822,683	8,596,274	1,416,891	1,509,941	1,311,294	1,796,920	52,152,684
Revenue & Reserves		25,232,735	50,258,179	35,800,017	26,634,030	30,651,951	34,644,653	48,294,823	251,516,389
Grants		50,944,725	89,715,413	66,460,796	17,373,365	14,871,600	12,041,700	16,976,368	268,383,967
Contributions		6,265,911	13,655,954	18,101,064	3,374,215	3,440,358	2,100,000	2,100,000	49,037,502
Total Financing		167,112,625	225,717,129	156,568,909	57,743,803	52,745,277	50,173,353	69,273,891	779,334,988

RESOURCES AVAILABLE

Specific Resources

Unsupported Borrowing
Other Capital Receipts
Other Capital Reserves
Other Contributions
Government Grants
Other Grants
Sub Total - Specific Resources

Specific Resources Used

Specific Resources Available

Corporate Resources

Corporate Capital Receipts
Corporate Capital Reserves
Corporate S106 Contributions & CIL
Capital Settlement - Non Ring Fenced Grants
Corporate Grants
Sub Total - Corporate Resources

Corporate Resources Used

Corporate Resources Available

Total Resources Available

Total Resources Used

Total Remaining Resources Available

Revised Estimate 2018/19	Estimate 2019/20	Estimate 2020/21	Estimate 2021 / 22	Estimate 2022 / 23	Estimate 2023 / 24	Expenditure in Subsequent Years	Final Cost
£	£	£	£	£	£	£	£
65,970,572	53,264,901	27,610,758	8,945,302	2,271,427	75,706	105,780	158,244,446
3,884,217	2,431,813	1,626,955	1,374,691	1,288,573	1,274,294	1,244,220	13,124,763
23,895,618	47,022,276	34,772,420	26,634,030	30,651,951	34,644,653	48,294,823	245,915,772
4,616,415	3,169,600	3,455,411	2,304,545	2,100,000	2,100,000	2,100,000	19,845,971
2,740,233	0	0	0	0	0	0	2,740,233
30,851,232	76,801,767	43,313,298	14,483,000	14,600,000	12,041,700	16,853,078	208,944,075
131,958,288	182,690,356	110,778,842	53,741,568	50,911,951	50,136,353	68,597,901	648,815,260
131,958,288	182,690,356	110,778,842	53,741,568	50,911,951	50,136,353	68,597,901	648,815,260
0	0	0	0	0	0	0	0
3,164,854	62,800	337,500					3,565,154
38,769,496	(2,676,107)	4,970,000					41,063,389
15,073,761	5,768,912	3,723,366	1,875,000	0			26,441,038
32,588,526	6,884,842	17,226,271	0				56,699,639
2,750,508	0	0	0				2,750,508
92,347,145	10,040,447	26,257,137	1,875,000	0	0	0	130,519,728
35,154,337	43,026,773	45,790,067	4,002,235	1,833,326	37,000	675,990	130,519,728
57,192,808	24,206,481	4,673,551	2,546,316	712,990	675,990	0	0
224,305,433	192,730,803	137,035,978	55,616,568	50,911,951	50,136,353	68,597,901	779,334,988
167,112,625	225,717,129	156,568,909	57,743,803	52,745,277	50,173,353	69,273,891	779,334,988
57,192,808	24,206,481	4,673,551	2,546,316	712,990	675,990	0	0

CHILDREN'S SERVICES PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2018	Revised Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020/21	Estimate for 2021/22	Estimate for 2022/23	Estimate for 2023/24	Exp. in Subsequent Years	Final Cost
1	Adaptations to Foster Carer Properties	CROC CorpRsv	85,724	40,000	24,276						150,000
			-		45,000						45,000
	Sub Total		85,724	40,000	69,276	-	-	-	-	-	195,000
2	Children's Case Management Software Replacement	CorpRsv	32,805	1,660,295	65,900	37,000	37,000	37,000	37,000		1,907,000
3	Tangier Road Children's Home	CorpRsv	161,865	333,135							495,000
4	Beechside Children's Home	CorpRsv	38,110	16,890							55,000
Grand Total			318,504	2,050,320	135,176	37,000	37,000	37,000	37,000	-	2,652,000

CULTURE LEISURE AND SPORT PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2018	Revised Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020/21	Estimate for 2021/22	Estimate for 2022/23	Estimate for 2023/24	Exp. in Subsequent Years	Final Cost
1	Hilsea Splashpool	CorpRsv S106(OS)	74,200 267,238	25,128							74,200 292,366
	Sub Total		341,438	25,128	-	-	-	-	-	-	366,566
2	Coastal Communities Bid (ARTches)	CorpRsv CP(DFT)IT OG OG(DCLG)CD PUSH	80,789 100,000 1,564,222 44,972 40,000	64,734 4,412							145,523 100,000 1,568,634 44,972 40,000
	Sub Total		1,829,983	69,146	-	-	-	-	-	-	1,899,129
	Southsea Seafront Investment - D Day 75	CorpRsv LOT OG OC	528,872 2,793,537 186,650 59,085	756,172							528,872 3,549,709 186,650 302,107
	Sub Total		3,568,144	922,194	77,000	-	-	-	-	-	4,567,338
4	Drayton Park - Tennis Court Conversion	S106(OS) CorpRsv	135,000 76,475	5,049							135,000 81,524
	Sub Total		211,475	5,049	-	-	-	-	-	-	216,524
5	D Day Museum	CorpRsv	153,144	11,856							165,000
6	DDAY Landscaping Works	OG	218,872	381,128							600,000
7	Relocation of Archive Store to Southsea Library	CorpRsv OG(DCLG)CD	19,341 570,368								19,341 570,368
	Sub Total		589,709	-	-	-	-	-	-	-	589,709
8	Acquisition of 26 Albert Road	CRGG OG(DCLG)CD	186,909 60,000								186,909 60,000
	Sub Total		246,909	-	-	-	-	-	-	-	246,909
9	Round Tower Improvement Works	CP(DCSF)CM	4,945	20,000	55,055						80,000

CULTURE LEISURE AND SPORT PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2018	Revised Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020/21	Estimate for 2021/22	Estimate for 2022/23	Estimate for 2023/24	Exp. in Subsequent Years	Final Cost
10	Sports and Leisure Facilities Investment	UB	573,077	726,923	500,000	500,000					2,300,000
11	Butterfly House at Cumberland House	PR	164,000								164,000
		CorpRsv	44,933	567							45,500
		RCCO	2,000								2,000
		OC	5,000								5,000
	Sub Total		215,933	567	-	-	-	-	-	-	216,500
12	In-house Parks' Mobilisation - Vehicles & Equipment	CorpRsv	297,867	22,133							320,000
13	Kings Bastion	CorpRsv	-		600,000						600,000
	Charles Dickens' Gardens	CorpRsv	10,475								10,475
		CRGG	15,600								15,600
	Sub Total		26,075	-	-	-	-	-	-	-	26,075
15	Contribution Towards Resurfacing South Parade Pier	S106(OS)	29,200								29,200
		Croc	21,800								21,800
		CILNRsv	25,000								25,000
	Sub Total		76,000	-	-	-	-	-	-	-	76,000
16	Installation of Shower Facilities at Canoe Lake	CRGG	10,754								10,754
17	Watersedge Park Building	CRGG	21,823	6,169							27,992
18	Edwardian Seafront Shelter	CorpRsv	-		35,000	35,000					70,000
		CILNRsv	-		5,000	5,000					10,000
	Sub Total		-	-	40,000	40,000	-	-	-	-	80,000
19	Re-provision of Bandstand at West Battery Gardens	CorpRsv	-	40,000							40,000

CULTURE LEISURE AND SPORT PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2018	Revised Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020/21	Estimate for 2021/22	Estimate for 2022/23	Estimate for 2023/24	Exp. in Subsequent Years	Final Cost
20	Pop Up Kiosks - Southsea Seafront	CorpRsv	39,189								39,189
21	Modifications to Southsea Library	PR	39,271	10,000							49,271
22	Mountbatten Centre Floodlights	RCCO UB	336,965 100,000	13,035							350,000 100,000
	Sub Total		436,965	13,035	-	-	-	-	-	-	450,000
23	Hilsea Lines BMX Pump Track	S106(NEW) CILNRsv	66,225 19,000	- 2,775							66,225 21,775
	Sub Total		85,225	2,775	-	-	-	-	-	-	88,000
24	Kingston Recreation Ground Play Improvements	OC	217,052	71,309	30,000						318,361
25	New Fountain Refurbishment at Southsea Castle	CorpRsv CROC RCCO	34,775 38,400 300,000	26,825 80,000							61,600 38,400 380,000
	Sub Total		373,175	106,825	-	-	-	-	-	-	480,000
26	Water Safety Equipment	RCCO	-	100,000							100,000
27	Rock Garden's Arch	RCCO CILNRsv OC	3,300 5,000 2,000								3,300 5,000 2,000
	Sub Total		10,300	-	-	-	-	-	-	-	10,300

CULTURE LEISURE AND SPORT PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2018	Revised Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020/21	Estimate for 2021/22	Estimate for 2022/23	Estimate for 2023/24	Exp. in Subsequent Years	Final Cost
28	Farlington Pavilion Refurbishment	CorpRsv	-		61,900						61,900
		S106(OS)	-		8,100						8,100
		OC	-		70,000						70,000
	Sub Total		-	-	140,000	-	-	-	-	-	140,000
29	Lumps Fort Sun Huts Maintenance / Replacement	CorpRsv	-	50,000							50,000
30	Milton Park Barn Thatched Roof	CorpRsv	-	130,000							130,000
31	Victoria Park Heritage Lottery Fund	CorpRsv	-		250,000						250,000
		LOT	-		250,000	2,000,000					2,250,000
	Sub Total		-	-	500,000	2,000,000	-	-	-	-	2,500,000
32	Disabled Beach Buggies and Access Mat	CROC	-	7,000	13,000						20,000
33	Allotment Security Grants	CROC	-	35,000							35,000
34	Outdoor Fitness Equipment	CorpRsv	-	80,000							80,000
35	City Museum Playground	CILNRsv	29,944								29,944
36	Track Re-surfacing - MBC and Bransbury AWP	RCCO	-	160,900							160,900
37	Invest in Football Facilities Including Changing Facilities	CorpRsv	-		303,000						303,000
		S106(OS)	-		19,000						19,000
		CROC	-		13,000						13,000
		OC	-		253,000						253,000
	Sub Total		-	-	588,000	-	-	-	-	-	588,000
38	Parks & Open Spaces Protection Measures to Prevent	S106(OS)	-		50,000						50,000

CULTURE LEISURE AND SPORT PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2018	Revised Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020/21	Estimate for 2021/22	Estimate for 2022/23	Estimate for 2023/24	Exp. in Subsequent Years	Final Cost	
39	Pyramids Refurbishment	CorpRsv	-		1,000,000	500,000					1,500,000	
40	Repair/Refurbishment of Southsea Splashpool	CorpRsv	-		102,000						102,000	
41	World War 1 Memorial Plaques	CROC	-		45,000						45,000	
42	Contribution to Roof Repairs at Southsea Skatepark	S106(OS)	-		10,000						10,000	
43	Cont to Architectural Design to Enable Regeneration - Guildhall	CorpRsv	-		40,000						40,000	
44	Cont to Architectural Design to Enable Regeneration - Kings Theatre	CorpRsv	-		40,000						40,000	
45	Provision of a Dog Exercise & Training Area	CorpRsv	-		11,000						11,000	
Grand Total					9,617,269	2,997,137	3,841,055	3,040,000	-	-	-	19,495,461

EDUCATION PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2018	Revised Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020/21	Estimate for 2021/22	Estimate for 2022/23	Estimate for 2023/24	Exp. in Subsequent Years	Final Cost
1	Primary Capital Programme	GGR(DCSF)DF	627,703								627,703
		GGR(DCSF)PC	3,233,032								3,233,032
		GGNR(DCSF)LAM	2,274,318								2,274,318
		B	2,000,894								2,000,894
		UB	- 2,224							-	2,224
		GGR(DCSF)DSG	350,512								350,512
		CRGG	415,720								415,720
		CorpRsv	95,248								95,248
		OG(DCLG)CD	3,438,533								3,438,533
		OC	216,383								216,383
		GGR(DCSF)SSEYC	639,840								639,840
		CP(DCSF)BN	875,861	38,132							913,993
		GGR(DCSF)TC	121,151								121,151
		CP(DCSF)CM	1,498,859								1,498,859
		CP(EFA)2YR	7,278								7,278
		LOT	26,724								26,724
	Sub Total		15,819,833	38,132	-	-	-	-	-	-	15,857,965
	Sufficiency Programme Phase One 2013- 2015	OG(DCLG)CD	2,912,328								2,912,328
		EEA	1,740,058								1,740,058
		S106(EC)	670,338								670,338
		GGR(DCSF)DF	55,192								55,192
		CP(DCSF)BN	687,966	11,271							699,237
		CorpRsv	137,343	42,264							179,607
		GGR(DCSF)SF	27,287								27,287
		CP(DCSF)CM	14,508	3,552							18,060
		LOT	42,060								42,060
	Sub Total		6,287,080	57,087	-	-	-	-	-	-	6,344,167

EDUCATION PORTFOLIO
CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2018	Revised Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020/21	Estimate for 2021/22	Estimate for 2022/23	Estimate for 2023/24	Exp. in Subsequent Years	Final Cost
3	Sufficiency Programme Phase Two 2015- 2017	CP(DCSF)BN	1,748,721	327,629							2,076,350
		CorpRsv	990,272	3,157,434	500,000						4,647,706
		UBIR	2,321,605	-							2,321,605
		CROC	300,000								300,000
		CIL	635,710								635,710
		GGR(DCSF)SSEYC	-	726,721							726,721
		GGR(DCSF)DF	-	70,702							70,702
		OC	-	174,070							174,070
		CP(DCSF)CM	72,000								72,000
	Sub Total		6,068,308	4,456,556	500,000	-	-	-	-	-	11,024,864
4	Secondary School Feasibility Study	S106(EC)	97,617	22,383							120,000
		CP(DCSF)BN	-	30,000							30,000
	Sub Total		97,617	52,383	-	-	-	-	-	-	150,000
5	Temporary Accommodation	S106(EC)	330,000								330,000
		CP(DCSF)CM	24,694								24,694
		CP(DCSF)BN	3,296								3,296
	Sub Total		357,990	-	-	-	-	-	-	-	357,990
6	Vanguard Centre	CP(DCSF)BN	529,424	1,265,122							1,794,546
		CorpRsv	539,463								539,463
		S106(EC)	-	121,921							121,921
		CP(DCLG)DFG	-	39,000							39,000
		CP(ESFA)SEND	-	770,000							770,000
	Sub Total		1,068,887	2,196,043	-	-	-	-	-	-	3,264,930
7	King Richard School Rebuild 900-1000 places	GGR(DCSF)TC	1,251,400								1,251,400
		CorpRsv	139,294	294,789							434,083
		CP(DCSF)BN	-	26,821							26,821
	Sub Total		1,390,694	321,610	-	-	-	-	-	-	1,712,304

EDUCATION PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2018	Revised Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020/21	Estimate for 2021/22	Estimate for 2022/23	Estimate for 2023/24	Exp. in Subsequent Years	Final Cost
8	Portsmouth College Sufficiency Post 16	CP(DCSF)CM OG(DCLG)CD CP(DCSF)BN	153,504 92,443 -	21 17,400							153,525 92,443 17,400
	Sub Total		245,947	17,421	-	-	-	-	-	-	263,368
9	Universal Infant Free School Meal Works	OG CorpRsv CP(DCSF)CM RCCO	582,063 140,788 61,487 106,100	2,379							582,063 143,167 61,487 106,100
	Sub Total		890,438	2,379	-	-	-	-	-	-	892,817
10	Universal Infant Free School Meal Provision	CRGG GGR(DCSF)SSEYC OC OG(DCLG)CD CP(DCSF)CM	22 273 176,388 415,012 1,444	35,563							35,585 273 176,388 415,012 1,444
	Sub Total		593,139	35,563	-	-	-	-	-	-	628,702
11	Salix	UBS GGR(DCSF)DF CP(DCSF)CM CorpRsv	64,525 2,420 5,670 7,800	43,258 526							107,783 2,946 5,670 7,800
	Sub Total		80,415	43,784	-	-	-	-	-	-	124,199
12	Access SEN Pupils	B OG(DCLG)CD CP(DCSF)CM	67,529 85,409 137,627								67,529 85,409 137,627
	Sub Total		290,565	-	-	-	-	-	-	-	290,565
13	ALN Lift Repairs	CP(DCSF)BN OG(DCLG)CD CP(DCSF)CM	41,033 1,028 (979)	1,108							41,033 1,028 129
	Sub Total		41,082	1,108	-	-	-	-	-	-	42,190

EDUCATION PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2018	Revised Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020/21	Estimate for 2021/22	Estimate for 2022/23	Estimate for 2023/24	Exp. in Subsequent Years	Final Cost
14	St Edmunds SI Provision	CP(DCSF)CM	285,923								285,923
		OC	77,324								77,324
		GGR(DCSF)SF	11,469								11,469
		GGR(DCSF)SSEYC	341								341
		CorpRsv	10,866								10,866
		OG(DCLG)CD	121,329								121,329
	Sub Total		507,252	-	-	-	-	-	-	-	507,252
15	Schools Conditions Projects - Modernisation	CP(DCSF)CM	1,185,033								1,185,033
		GGR(DCSF)DF	123,193								123,193
		CP(EFA)2YR	31,000	25,894							56,894
		CorpRsv	57,684	24,215							81,899
	Sub Total		1,396,910	50,109	-	-	-	-	-	-	1,447,019
16	School Condition Projects 2014-2016	B	1,000								1,000
		UB	42,120								42,120
		CorpRsv	64,026	41,739							105,765
		SRCCO	8,727								8,727
		GGR(DCSF)DF	346,705								346,705
		GGR(DCSF)SF	365								365
		GGNR(DCSF)LAM	33,998								33,998
		CP(DCSF)BN	3,464								3,464
		CP(DCSF)CM	545,280	106,703							651,983
		CP(EFA)2YR	63,733								63,733
		OG(DCLG)CD	1,571,898								1,571,898
		OG	7,936								7,936
	Sub Total		2,689,252	148,442	-	-	-	-	-	-	2,837,694
17	School Conditions Project 2016-17	CP(DCSF)BN	105,095	86,205							191,300
		CP(DCSF)CM	331,436	6,000							337,436
		GGR(DCSF)DF	427,664								427,664
		OC	-	25,000							25,000
	Sub Total		864,195	117,205	-	-	-	-	-	-	981,400

EDUCATION PORTFOLIO
CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2018	Revised Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020/21	Estimate for 2021/22	Estimate for 2022/23	Estimate for 2023/24	Exp. in Subsequent Years	Final Cost
18	Secondary School Places Expansion Phase (1)	CorpRsv	-	93,360							93,360
		UBIR	626,860								626,860
		CP(DCSF)BN	713,167								713,167
		CP(DCSF)CM	8,211								8,211
		CROC	-	101,402							101,402
		OC	100,000								100,000
	Sub Total		1,448,238	194,762	-	-	-	-	-	-	1,643,000
19	Special Education Needs - Building Alterations	CP(DCSF)BN	173,143	949,607							1,122,750
		CP(DCSF)CM	68,810								68,810
		RCCO	-		2,000,000						2,000,000
	Sub Total		241,953	949,607	2,000,000	-	-	-	-	-	3,191,560
	Schools DFC Balances and devolved 2016-17	GGR(DCSF)DF	565,805	1,354,572							1,920,377
		GGR(DCSF)DSG	1,947,536	393,829							2,341,365
		CorpRsv	132,071								132,071
	Sub Total		2,645,412	1,748,401	-	-	-	-	-	-	4,393,813
21	Sufficiency of Secondary School Places	CorpRsv	-	26,598	635,222						661,820
		CP(DCSF)BN	244,766	145,234	3,590,578	534,200					4,514,778
		CP(DCSF)CM	-	173,402							173,402
		GGR(DCSF)DSG	-	132,500							132,500
	Sub Total		244,766	477,734	4,225,800	534,200	-	-	-	-	5,482,500
22	Future Secondary School Places	CP(DCSF)BN	-	175,526							175,526
		UBIR	102,842								102,842
		CorpRsv	-	26,158							26,158
	Sub Total		102,842	201,684	-	-	-	-	-	-	304,526
23	School Conditions Project 2017-18	OC	73,131	142,369							215,500
		CP(DCSF)CM	412,999	325,797							738,796
	Sub Total		486,130	468,166	-	-	-	-	-	-	954,296

EDUCATION PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2018	Revised Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020/21	Estimate for 2021/22	Estimate for 2022/23	Estimate for 2023/24	Exp. in Subsequent Years	Final Cost
24	Beacon View Primary School - Kitchen Block	RCCO	731	44,269							45,000
25	Schools' Conditions Project 2018-19	CP(DCSF)CM	-	951,204	250,000						1,201,204
		CP(DCSF)BN	-	20,000							20,000
		CorpRsv	-	40,986							40,986
		OC	-	50,000	50,000						100,000
	Sub Total		-	1,062,190	300,000	-	-	-	-	-	1,362,190
26	Sufficiency of School Places 2018-19	CP(DCSF)BN	-	295,400	649,900	7,863,500	1,153,300	271,600			10,233,700
		CP(DCSF)CM	-	34,100							34,100
	Sub Total		-	329,500	649,900	7,863,500	1,153,300	271,600	-	-	10,267,800
27	Sufficiency of Special School Places - Redwood Park Academy	CorpRsv	-	676,400	1,377,300						2,053,700
		RCCO	-			1,000,000					1,000,000
	Sub Total		-	676,400	1,377,300	1,000,000	-	-	-	-	3,053,700
28	Sufficiency of Special School Places - The Willows Centre	CP(DCSF)CM	-	45,500	325,000						370,500
		CorpRsv	-	29,500							29,500
	Sub Total		-	75,000	325,000	-	-	-	-	-	400,000
29	Milton Childcare Sufficiency	CorpRsv	-		250,000						250,000
	Sub Total		-	-	250,000	-	-	-	-	-	250,000
30	Forest School at Foxes Forest - Community Accessible Education Centre	CorpRsv	-		125,000						125,000
	Sub Total		-	-	125,000	-	-	-	-	-	125,000

EDUCATION PORTFOLIO
CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2018	Revised Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020/21	Estimate for 2021/22	Estimate for 2022/23	Estimate for 2023/24	Exp. in Subsequent Years	Final Cost	
31	Early Year Places Provision	GGR(DCSF)SSEYC	-	10,000							10,000	
	Sub Total		-	10,000	-	-	-	-	-	-	10,000	
32	Maintained Schools - Urgent Conditions Projects	CorpRsv	-		132,100						132,100	
		CP(DCSF)BN	-		249,300						249,300	
		CP(DCSF)CM	-		518,600	700,000					1,218,600	
		OC	-		100,000						100,000	
	Sub Total		-	-	1,000,000	700,000	-	-	-	-	1,700,000	
33	Additional Special School Places - Design	CorpRsv	-		500,000						500,000	
		OC	-		179,200						179,200	
	Sub Total		-	-	679,200	-	-	-	-	-	679,200	
34	Additional School Places in Mainstream Schools - Design	CorpRsv	-		250,000						250,000	
	Sub Total		-	-	250,000	-	-	-	-	-	250,000	
35	Additional Secondary School Places - St Edmunds Catholic School - Grant	CP(DCSF)BN	-		650,000						650,000	
	Sub Total		-	-	650,000	-	-	-	-	-	650,000	
36	Additional School Places - 2020/21	CP(DCSF)BN	-		1,727,000	3,454,000	1,727,000				6,908,000	
	Sub Total		-	-	1,727,000	3,454,000	1,727,000	-	-	-	6,908,000	
37	Enable and Improve Mobile Working	MTRS	-		191,000						191,000	
	Sub Total		-	-	191,000	-	-	-	-	-	191,000	
Grand Total					43,859,676	13,775,535	14,250,200	13,551,700	2,880,300	271,600	-	88,589,011

ENVIRONMENT & COMMUNITY SAFETY PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2018	Revised Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020/21	Estimate for 2021/22	Estimate for 2022/23	Estimate for 2023/24	Exp. in Subsequent Years	Final Cost
1	Portsea Island - Flood Cell 4: North Portsea Island - Coastal Flood and Erosion Risk Management	OGENV CorpRsv	7,282,897	9,154,600	2,905,600	3,934,200	4,600,000	4,600,000	2,041,700	282,000	34,518,997
	Sub Total		7,282,897	9,154,600	2,905,600	3,934,200	4,600,000	4,600,000	2,041,700	282,000	34,800,997
2	Air Quality Action Plan	GGR(DEFRA)AQME CorpRsv	171,781								171,781
	Sub Total		15,307								15,307
	Sub Total		187,088	-	-	-	-	-	-	-	187,088
3	Horsea Island Country Park - Fencing	CorpRsv	-				5,200				5,200
		S106(OS)	22,209	20,000	20,000	20,000	30,100				112,309
		CP(DFT)IT	4,135				10,065				14,200
	Sub Total		26,344	20,000	20,000	20,000	45,365	-	-	-	131,709
4	CCTV Upgrades	GGNR(HO)SSC PR CorpRsv	69,500								69,500
			37,500	147,100	80,000	80,000					344,600
			81,515								81,515
	Sub Total		188,515	147,100	80,000	80,000	-	-	-	-	495,615
5	CCTV Systems and Control Room Infrastructure	CorpRsv	126,163	6,800							132,963
		OG(PHE)CS	15,000								15,000
	Sub Total		141,163	6,800	-	-	-	-	-	-	147,963
6	Southsea Enhancement Design	S106(OS)	34,988	39,572	39,572	39,572	39,570	24,726			218,000
7	Surface Water Separation	CorpRsv	65,000								65,000

ENVIRONMENT & COMMUNITY SAFETY PORTFOLIO

CAPITAL PROGRAMME

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8	Emergency Repairs to Southsea Sea Defences	OGENV	617,797	46,894							664,691
9	Southsea Coastal Flood Defence	OGENV	4,109,832	3,150,000	11,211,828	10,977,000	9,883,000	10,000,000	10,000,000	16,808,340	76,140,000
		CIL	-	-	1,484,368	1,000,000	1,000,000	1,315,632			4,800,000
		CorpRsv	80,732					184,368			265,100
		CP(DCSF)CM	-	731,100	203,800						934,900
	Sub Total		4,190,564	3,881,100	12,899,996	11,977,000	10,883,000	11,500,000	10,000,000	16,808,340	82,140,000
10	Household Waste Collection	CorpRsv	-	111,200							111,200
11	Old Portsmouth Seawalls' Maintenance	CorpRsv	923	79,077	40,000						120,000
	Public Toilets New Provision, across the City	CorpRsv	-	125,000							125,000
		PR	-	55,000	200,000						255,000
	Sub Total		-	180,000	200,000	-	-	-	-	-	380,000
13	Wheeled Bins for Refuse	CorpRsv	-	970,000	150,000						1,120,000
14	Dog Kennels Vehicles	RCCO	9,549	8,451							18,000
15	Southsea Seafront Emergency Work to Sea Defences	OGENV	-	235,000							235,000
		RCCO	-		10,000						10,000
	Sub Total		-	235,000	10,000	-	-	-	-	-	245,000
16	Air Quality Equipment & Monitoring Station	CorpRsv	-		100,000						100,000
17	Air Quality Initiatives	CorpRsv	-		150,000						150,000
18	Single Material Recycling Facility	UB	-		2,419,200	2,419,200					4,838,400

ENVIRONMENT & COMMUNITY SAFETY PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2018	Revised Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020/21	Estimate for 2021/22	Estimate for 2022/23	Estimate for 2023/24	Exp. in Subsequent Years	Final Cost	
19	Waste collection Vehicle Replacement	UB	-				4,125,000				4,125,000	
20	Replacement of WC Hand Washing and Drying Units	PR	-		130,000						130,000	
21	Food Waste Recycling - Pilot	PR	-		114,200						114,200	
Grand Total				12,744,828	14,879,794	19,258,568	18,469,972	19,692,935	16,124,726	12,041,700	17,090,340	130,302,863

HEALTH AND SOCIAL CARE PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2018	Revised Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020/21	Estimate for 2021/22	Estimate for 2022/23	Estimate for 2023/24	Exp. in Subsequent Years	Final Cost
1	Autism Capital Grants	OG	17,699	801							18,500
2	Reconfiguration of Corben Lodge	S106(Hsg) CP(DCSF)CM OC	59,000 1,091,000 909,217	801 300,783							59,000 1,091,000 1,210,000
	Sub Total		2,059,217	300,783	-	-	-	-	-	-	2,360,000
3	Portsmouth Recovery Centre	OG(PHE)Health	242,273	23,680							265,953
4	Swift Software Replacement	CROC CRGG CorpRsv CP(DH)CG OR BCF(OG)DOH GGR(DH)CAF	- - - - - 187,047 -	80,200 700 234,350 319,100 263,000 312,953 51,383							80,200 700 234,350 319,100 263,000 500,000 51,383
	Sub Total		187,047	1,261,686	-	-	-	-	-	-	1,448,733
5	Assistive Technology	BCF(DFG)DCLG	-	75,000	75,000						150,000
6	Shearwater House - Backup Power Supply	CorpRsv	-	50,000							50,000
7	Oakdene SJH Purchase & Remodelling	OC OG CorpRsv RCCO OR	- - - - 10,826	- 670,000 150,000 450,674 10,826	989,903	27,597					- 670,000 150,000 1,468,174 10,826
	Sub Total		10,826	1,270,674	989,903	27,597	-	-	-	-	2,299,000

HEALTH AND SOCIAL CARE PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2018	Revised Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020/21	Estimate for 2021/22	Estimate for 2022/23	Estimate for 2023/24	Exp. in Subsequent Years	Final Cost
8	Older Persons Supported Living (Extra Care Housing)	CorpRsv	-			4,506,300					4,506,300
		CP(DH)CG	-		70,000	23,700					93,700
		UB	-				2,626,000	210,000			2,836,000
		OR	-		1,000,000						1,000,000
		OC	-			1,100,000	194,000				1,294,000
	Sub Total		-	-	1,070,000	5,630,000	2,820,000	210,000	-	-	9,730,000
9	Kestrel Centre Relocation to Civic Offices	CorpRsv	-		350,000						350,000
	Enable Mobile Working	OR	-		182,000						182,000
	Grand Total		2,517,062	2,982,624	2,666,903	5,657,597	2,820,000	210,000	-	-	16,854,186

PLANNING, REGENERATION & ECONOMIC DEVELOPMENT PORTFOLIO

CAPITAL PROGRAMME

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1	Palmerston Road Improvements	CorpRsv	343,284	34,476						122,240	500,000
2	City Centre Development - Road	CorpRsv	-			293,482					293,482
		CP(DFT)IT	9,808	800,000	13,962						823,770
		UBIR	557,484								557,484
		UB	8,291								8,291
		OG(DCLG)CD	1,036,008								1,036,008
		CIL	658,174		8,424,303	11,175,251					20,257,728
		S106(ST)	-		42,935						42,935
		S106(EW)	5,440								5,440
		CRGG	-		18,800						18,800
		LEP	500,000								500,000
		CROC	32,566								32,566
	Sub Total		2,807,771	800,000	8,500,000	11,468,733	-	-	-	-	23,576,504
	Enterprise Centre Dilapidations	CorpRsv	-	40,000							40,000
		RCCO	-	25,000	55,000						80,000
	Sub Total		-	65,000	55,000	-	-	-	-	-	120,000
4	Dunsbury Hill Farm - Access Road	CorpRsv	128,953	128,953							-
		UBIR	280,440								280,440
		OG(DCLG)CD	568,954								568,954
		OC	4,540,000								4,540,000
		LEP	241,078								241,078
		UB	4,468,922	685,606							5,154,528
	Sub Total		10,228,347	556,653	-	-	-	-	-	-	10,785,000
5	Dunsbury Hill - Utilities & Enabling	UB	9,099,628	2,992,639							12,092,267
6	Dunsbury Hill - Plot 2	UB	2,178,991	224,937							2,403,928
		LEP	7,176,000								7,176,000
	Sub Total		9,354,991	224,937	-	-	-	-	-	-	9,579,928

PLANNING, REGENERATION & ECONOMIC DEVELOPMENT PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2018	Revised Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020/21	Estimate for 2021/22	Estimate for 2022/23	Estimate for 2023/24	Exp. in Subsequent Years	Final Cost
7	Dunsbury Hill - Plot 3	UBIR	19,047								19,047
		UB	-	6,580,953	700,000						7,280,953
	Sub Total		19,047	6,580,953	700,000	-	-	-	-	-	7,300,000
8	City Deal	OG(DCLG)CD	4,072,035								4,072,035
		CorpRsv	-			1,227,787					1,227,787
		CIL	-			972,213					972,213
		OC	121,089								121,089
		ORCD	-			1,636,380					1,636,380
	Replacement Financing For City Deal Grant	UB	-	3,128,267							3,128,267
		CP(DCSF)CM	893,569	2,828,882							3,722,451
		CP(DCSF)BN	-	1,553,041		2,925,271					4,478,312
		CP(DH)CG	654,533								654,533
		CP(DFT)IT	-			3,451,282					3,451,282
		CP(DFT)HM	721			2,012,773					2,013,494
		CP(DCLG)DFG	206,864	459,183							666,047
		CRGG	-			1,031,772					1,031,772
		CROC	-			1,438,617					1,438,617
		MTRS	775,705								775,705
		ORCD	730,000		1,853,479	6,743,459					9,326,938
		OR	-		13,392,000						13,392,000
		CP(EFA)2YR	131,252	200,404							331,656
		S106(ST)	-	161,376							161,376
		S106(OS)	-	105,515							105,515
	Sub Total		7,585,768	8,436,668	15,245,479	21,439,554	-	-	-	-	52,707,469

Replacement Financing For City Deal Grant

PLANNING, REGENERATION & ECONOMIC DEVELOPMENT PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2018	Revised Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020/21	Estimate for 2021/22	Estimate for 2022/23	Estimate for 2023/24	Exp. in Subsequent Years	Final Cost
9	Hampshire Community Bank	UB	2,610,989	2,389,011							5,000,000
		CorpRsv	20,000	27,715	15,700						63,415
		MTRS	4,600	77,400	3,300						85,300
		OC	-	27,770							27,770
	Sub Total		2,635,589	2,521,896	19,000	-	-	-	-	-	5,176,485
10	Limberline Phase III	CorpRsv	459,716		215,000						674,716
		LEP	302,284								302,284
		UB	3,384,916		103,084						3,488,000
		PR	-	65,000	50,000						115,000
	Sub Total		4,146,916	65,000	368,084	-	-	-	-	-	4,580,000
11	City Centre Public Realm Improvements	S106(OS)	800								800
		CorpRsv	303,102	71,398							374,500
		CROC	121,600								121,600
		CP(DFT)IT	3,100								3,100
	Sub Total		428,602	71,398	-	-	-	-	-	-	500,000
12	Public Realm Improvement by The Hard	CP(DCSF)CM	-		300,000						300,000
13	Public Realm - Improvements to Station Square & Isambard Brunel Road	CWCIL	-		594,000						594,000
		CP(DFT)IT	-		250,000						250,000
	Sub Total		-	-	844,000	-	-	-	-	-	844,000
14	City Centre Public Realm 2018-19	CWCIL	-		437,200						437,200
		CorpRsv	-		62,800						62,800
	Sub Total		-	-	500,000	-	-	-	-	-	500,000
15	London Road, North End	CorpRsv	51,817	48,183							100,000

PLANNING, REGENERATION & ECONOMIC DEVELOPMENT PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2018	Revised Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020/21	Estimate for 2021/22	Estimate for 2022/23	Estimate for 2023/24	Exp. in Subsequent Years	Final Cost
16	Local Enterprise Partnership	OC	25,643,217								25,643,217
		LEP	58,547,746	14,590,895	52,810,522	24,902,098					150,851,261
		LEP(DCLG)	1,150,516	18,450	5,131,034	-					6,300,000
		LEP(OG)	6,672,217		417,783	-					7,090,000
		LEP(ERDF)	36,908								36,908
	Replacement Financing For LEP	UB	7,417,100								7,417,100
		CorpRsv	802,300								802,300
		CRGG	456,600								456,600
	Sub Total		100,726,604	14,609,345	58,359,339	24,902,098	-	-	-	-	198,597,386
	Medina House Refurbishment	CorpRsv	316,000								316,000
		RCCO	128,522								128,522
		OC	2,468	5,032							7,500
	Sub Total		446,990	5,032	-	-	-	-	-	-	452,022
18	Commercial Property Acquisition Fund	UB	127,960,406	31,650,000	23,305,282						182,915,688
19	Guildhall Investment (Match Funding)	CP(DCSF)CM	-		300,000						300,000
20	Purchase of New Depot	UB	2,205,405								2,205,405
		RCCO	150,000								150,000
		CorpRsv	147,089								147,089
	Sub Total		2,502,494	-	-	-	-	-	-	-	2,502,494
21	Civic Offices' Basement Refurbishment	RCCO	144,959								144,959

PLANNING, REGENERATION & ECONOMIC DEVELOPMENT PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2018	Revised Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020/21	Estimate for 2021/22	Estimate for 2022/23	Estimate for 2023/24	Exp. in Subsequent Years	Final Cost
22	Renovation of Victoria Park Lodge	CorpRsv	99,307	693							100,000
		OC	65,000								65,000
		PR	107,200								107,200
	Sub Total		271,507	693	-	-	-	-	-	-	272,200
23	Portsmouth Area Rape Crisis Service - Building	CorpRsv	50,000								50,000
24	Acquisition of JV Energy Company	MTRS	100,500								100,500
25	Cosham High Street	CP(DFT)IT	19	19							-
26	Brougham Road (Arts Centre) - External Repairs	CorpRsv	-		217,000						217,000
		CP(DFT)IT	-		83,000						83,000
	Sub Total		-	-	300,000	-	-	-	-	-	300,000
Grand Total			278,905,239	68,662,854	108,796,184	57,810,385	-	-	-	122,240	514,296,902

COMMERCIAL PORT

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2018	Revised Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020/21	Estimate for 2021/22	Estimate for 2022/23	Estimate for 2023/24	Exp. in Subsequent Years	Final Cost
1	Port Infrastructure	CorpRsv	-		648,367						648,367
		CRGG	-		926						926
	Sub Total		-	-	649,293	-	-	-	-	-	649,293
2	Port Master System	CorpRsv	103,508	59,518	40,000						203,026
		OG(DCLG)CD	24,274								24,274
	Sub Total		127,782	59,518	40,000	-	-	-	-	-	227,300
3	Port Regeneration	OG(DCLG)CD	43,362								43,362
		LEP	456,638								456,638
		UB	5,298,327	2,600,000	4,661,673						12,560,000
	Sub Total		5,798,327	2,600,000	4,661,673	-	-	-	-	-	13,060,000
	Purchase of Linkspan Berth 3	UB	10,000	1,150,000							1,160,000
		OC	-	13,000							13,000
		PR	-	250,000							250,000
	Sub Total		10,000	1,413,000	-	-	-	-	-	-	1,423,000
5	Purchase of Linkspan Berth 4	CorpRsv	260,265								260,265
		UBIR	739,735								739,735
		EUG	-	460,000							460,000
		UB	6,929,659	310,341	300,000						7,540,000
	Sub Total		7,929,659	770,341	300,000	-	-	-	-	-	9,000,000
6	AJQ Fender Modifications	PR	-	350,000	500,000						850,000

COMMERCIAL PORT**CAPITAL PROGRAMME**

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2018	Revised Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020/21	Estimate for 2021/22	Estimate for 2022/23	Estimate for 2023/24	Exp. in Subsequent Years	Final Cost
7	Development of Cruise & Ferry Port	UB	-	100,000	2,200,000	6,400,000	2,000,000	2,000,000			12,700,000
8	Passenger Boarding Bridge	UB PR	- -	200,000	1,200,000 800,000	3,800,000					5,000,000 1,000,000
Sub Total			-	200,000	2,000,000	3,800,000	-	-	-	-	6,000,000
Grand Total			13,865,768	5,492,859	10,350,966	10,200,000	2,000,000	2,000,000	-	-	43,909,593

RESOURCES PORTFOLIO
CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2018	Revised Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020/21	Estimate for 2021/22	Estimate for 2022/23	Estimate for 2023/24	Exp. in Subsequent Years	Final Cost
1	Project Management	CorpRsv	-	-	44,900						44,900
2	Landlord's Maintenance	CorpRsv	4,121,893	1,616,148	3,200,000						8,938,041
		CP(DCSF)CM	331,301								331,301
		CP(DFT)IT	175,115								175,115
		OG(DCLG)CD	1,859,528								1,859,528
		CMR	65,750								65,750
		CROC	-	291,792							291,792
	Sub Total		6,553,587	1,907,940	3,200,000	-	-	-	-	-	11,661,527
3	Landlord's Maintenance - Capital Contingency	CorpRsv	54,389		169,258						223,647
		CRGG	-		140,353						140,353
		CROC	-		47,000						47,000
	Sub Total		54,389	-	356,611	-	-	-	-	-	411,000
4	MMD - Capital Advances	UB	9,394,000	1,177,250							10,571,250
		OG(DCLG)CD	250,000								250,000
	Sub Total		9,644,000	1,177,250	-	-	-	-	-	-	10,821,250
5	Port Leased Plant and Equipment	UB	2,130,994	6,750							2,137,744
6	Asset Management System	B	114,558								114,558
		UB	12,250	114,622							126,872
		OG(DCLG)CD	58,587								58,587
	Sub Total		185,395	114,622	-	-	-	-	-	-	300,017
7	Legal Case Management Software	MTRS	-	2,513	5,000	8,600					11,087
		OG(DCLG)CD	84,913								84,913
	Sub Total		82,400	5,000	8,600	-	-	-	-	-	96,000

RESOURCES PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2018	Revised Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020/21	Estimate for 2021/22	Estimate for 2022/23	Estimate for 2023/24	Exp. in Subsequent Years	Final Cost
8	IS Road Map	CorpRsv	144,700		492,292						636,992
		OG(DCLG)CD	321,482								321,482
		CP(DCLG)DFG	151,400								151,400
		CRGG	2,320								2,320
		CP(DFT)IT	196,000								196,000
		ITR	-	175,000	58,176						233,176
	Sub Total		815,902	175,000	550,468	-	-	-	-	-	1,541,370
9	PSN CoCo Compliance	CorpRsv	6,118		92,553						98,671
		OG(DCLG)CD	99,384								99,384
		ITR	30,400		16,447						46,847
	Sub Total		135,902	-	109,000	-	-	-	-	-	244,902
10	Refurbishment of Data Centre Accommodation	CorpRsv	513,042	108,314							621,356
		OG(DCLG)CD	88,644								88,644
	Sub Total		601,686	108,314	-	-	-	-	-	-	710,000
11	IS - Server & Database	CorpRsv	40,960		64,468						105,428
		UB	94,572								94,572
	Sub Total		135,532	-	64,468	-	-	-	-	-	200,000
12	Guildhall Capital Works	CorpRsv	580,136	539,646							1,119,782
		OG(DCLG)CD	894,858								894,858
		RCCO	-	377,900							377,900
	Sub Total		1,474,994	917,546	-	-	-	-	-	-	2,392,540
13	Guildhall Internal Works	CorpRsv	-		80,000						80,000

RESOURCES PORTFOLIO
CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2018	Revised Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020/21	Estimate for 2021/22	Estimate for 2022/23	Estimate for 2023/24	Exp. in Subsequent Years	Final Cost
14	Council Chamber Modernisation	CorpRsv PR	185,974 6,000	49,026							235,000 6,000
	Sub Total		191,974	49,026	-	-	-	-	-	-	241,000
15	Guildhall Square Electrical Upgrade	RCCO	37,800								37,800
16	Working Anywhere	CorpRsv OG(DCLG)CD MTRS CP(DCLG)DFG	172,508 67,344 47,325 626,166		64,000						236,508 67,344 47,325 626,166
	Sub Total		913,343	-	64,000	-	-	-	-	-	977,343
17	Commercial Letting of Brunel Wing	CorpRsv RCCO OG(DCLG)CD	495,493 40,000 326,286								495,493 40,000 326,286
	Sub Total		861,779	-	-	-	-	-	-	-	861,779
18	BI Hardware & Implementation	CorpRsv	490,250		217,600	172,450					880,300
19	EBS Hardware & Configuration	OR	260,140								260,140
20	Channel Shift Phase 1	CorpRsv	631,526	20,000	91,374						742,900
21	Channel Shift Phase 2	CorpRsv	-	190,700	194,500	197,300					582,500
22	Utilities and Energy Management	UB UBS CROC CMR	1,033,657 250,000 376,809 26,000	61,841	1,015,602						2,111,100 250,000 983,000 26,000
	Sub Total		1,686,466	458,032	1,225,602	-	-	-	-	-	3,370,100

RESOURCES PORTFOLIO
CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2018	Revised Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020/21	Estimate for 2021/22	Estimate for 2022/23	Estimate for 2023/24	Exp. in Subsequent Years	Final Cost
23	Investment in Solar Photovoltaic Cells	UB	2,098,564	800,000	2,234,000	1,117,436					6,250,000
24	Kingston Lodge North Renovation	RCCO	177,568	- 17,112							160,456
25	Civic Offices Public Address System	PR	-	126,000							126,000
26	Ground Floor Reception Improvements	PR	-	103,600	-	-	-	-	-	-	103,600
27	Portsmouth Hive Project	RCCO	-	94,000	181,000	-	-	-	-	-	275,000
28	Local Full Fibre Network Project	OG	-		2,400,000	1,500,000	-	-	-	-	3,900,000
29	Windows 10 Upgrade & Hardware Refresh	CorpRsv	-	1,014,000	786,000						1,800,000
30	Review of Revenues & Benefits Software Applications	CorpRsv			188,000						188,000
31	The People's Network - Windows 10 Upgrade	CorpRsv			350,000						350,000
32	Utilities & Energy Management 2019/20	MTRS			1,050,000						1,050,000
33	ERP Replacement Project	MTRS OR			584,400	415,600	1,000,000				1,000,000 1,000,000
	Sub Total		-	-	584,400	1,415,600	-	-	-	-	2,000,000
34	MMD Capital Investment Loan	UB			7,500,000	7,500,000					15,000,000
Grand Total			29,164,191	7,250,668	21,480,523	11,902,786	-	-	-	-	69,798,168

TRAFFIC AND TRANSPORTATION PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2018	Revised Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020/21	Estimate for 2021/22	Estimate for 2022/23	Estimate for 2023/24	Exp. in Subsequent Years	Final Cost
1	Contribution to PFI	HwayPFI	19,234,550	1,623,168	2,521,389	1,484,647	1,964,682	4,008,173	5,935,404	19,615,870	56,387,884
		OG(DCLG)CD	2,772,625								2,772,625
		EUG	(10,427)								(10,427)
		OG	145,167								145,167
		UB	2,306,379								2,306,379
		UBIR	2,780,394								2,780,394
		CP(DFT)IT	-	232,094	-	-	-	-	-	-	232,094
		CorpRsv	-	1,163,201	-	-	-	-	-	-	1,163,201
		CP(DFT)HM	7,125,174	1,432,727	1,151,000	1,151,000	-	-	-	-	10,859,901
	Sub Total		34,353,862	4,451,190	3,672,389	2,635,647	1,964,682	4,008,173	5,935,404	19,615,870	76,637,218
	Local Transport Plan & Road Safety 3	UB	-	70,000							70,000
		CorpRsv	-	71,743							71,743
		S278	23,644								23,644
		CP(DFT)IT	559,067	1,984,720	820,972						3,364,759
		S106(ST)	397,067	(117,784)							279,283
		OG(DFT)IFSHSec31	1,215,414								1,215,414
		CP(DCSF)BN	30,000								30,000
		OG	80,000								80,000
	Sub Total		2,305,192	2,008,679	820,972	-	-	-	-	-	5,134,843

TRAFFIC AND TRANSPORTATION PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2018	Revised Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020/21	Estimate for 2021/22	Estimate for 2022/23	Estimate for 2023/24	Exp. in Subsequent Years	Final Cost
3	The Hard Public Transport Interchange	CIL	-								0
		UB	21,101								21,101
		UBIR	462,850								462,850
		CP(DCSF)BN	3,365,593								3,365,593
		CP(DFT)IT	12,907								12,907
		CP(DCLG)DFG	135,700								135,700
		OC	4,832,000								4,832,000
		CROC	567,092								567,092
		S106(OS)	345,800								345,800
		PARK	500,000								500,000
		OG(DFT)LSTFSec31	608,732								608,732
		OG(DFT)TFSHSec31	244,355								244,355
		CorpRsv	588,746	81,534							670,280
	Sub Total		11,684,876	81,534	-	-	-	-	-	-	11,766,410
	Replace Residential Street Lighting With LED	UB	14,200	1,207,431	353,869						1,575,500
		UBS	146,386	2,573,646	968,668						3,688,700
	Sub Total		160,586	3,781,077	1,322,537	-	-	-	-	-	5,264,200
5	Copnor Bridge Maintenance	CorpRsv	21,555							26,445	48,000
		OC	20,480								20,480
	Sub Total		42,035	-	-	-	-	-	-	26,445	68,480
6	Eastern Rd Waterbridge	CorpRsv	-							122,015	122,015
		CP(DFT)IT	994,653							70,247	1,064,900
		OG(DFT)Sec31	377,900	90,447						44,738	513,085
		OC	100,000								100,000
	Sub Total		1,472,553	90,447	-	-	-	-	-	237,000	1,800,000

TRAFFIC AND TRANSPORTATION PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2018	Revised Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020/21	Estimate for 2021/22	Estimate for 2022/23	Estimate for 2023/24	Exp. in Subsequent Years	Final Cost
7	Angelsea Road Footbridge	CP(DFT)IT OC	195,111 25,385	364,898						40,606	600,615 25,385
	Sub Total		220,496	364,898	-	-	-	-	-	40,606	626,000
8	Traffic Management Centre - System Review	PARK	141,983	139,235							281,218
9	Traffic Signal Upgrade Packages	CorpRsv S106(ST) S106(OS) CROC CP(DFT)IT	337,872 2,400 10,000 15,900 651,000	117,320	5,508						460,700 2,400 10,000 15,900 651,000
	Sub Total		1,017,172	117,320	5,508	-	-	-	-	-	1,140,000
10	Isambard Brunel Car Park	PARK	1,020	53,980	650,000						705,000
11	Variable Message Signs (Incl Seafront)	CP(DFT)NPIF PARK CP(DFT)IT	52,000 - 15,330	23,800 14,670							52,000 23,800 30,000
	Sub Total		67,330	38,470	-	-	-	-	-	-	105,800
12	Eastern Corridor Road Link Improvements	CP(DFT)NPIF CP(DFT)IT CorpRsv	95,294 - -	404,706 300,000	148,400 51,600						500,000 148,400 351,600
	Sub Total		95,294	704,706	200,000	-	-	-	-	-	1,000,000
13	Improvements to Neighbourhood Living and Street Environment (Including Verge Hardening)	CP(DFT)IT CorpRsv	26,306 71,895	73,694 37,924	100,000						200,000 109,819
	Sub Total		98,201	111,618	100,000	-	-	-	-	-	309,819

TRAFFIC AND TRANSPORTATION PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2018	Revised Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020/21	Estimate for 2021/22	Estimate for 2022/23	Estimate for 2023/24	Exp. in Subsequent Years	Final Cost
14	Old Portsmouth Area Study	CorpRsv	4,800	35,200							40,000
15	Milton Road & St Mary's Road	CP(DFT)IT	47,563							12,437	60,000
16	Contactless Parking Metres (Wave & Pay)	PARK	-	153,000							153,000
17	Upgrade Car Park Counting Equipment (link to TMC)	PARK	-	100,000							100,000
18	Bike Hangars	PARK	-	30,000							30,000
19	Spur Analytics, Upgrade, Handheld Upgrade & SiDEM	PARK	-	65,000							65,000
20	Co-operative Intelligent Transport Systems	OC	103,259	181,741							285,000
		CP(DFT)IT	-	18,000							18,000
	Sub Total		103,259	199,741	-	-	-	-	-	-	303,000
21	Permanent One-way System at Wickham Street	PARK	111,383	65,162	73,455						250,000
22	Cycle Signs and Infrastructure	PARK	-		100,000						100,000
23	Specific Planning Obligations	S106(NEW)	237,612	498,278							735,890
24	Statutory Infrastructure Spend	CILNRsv	19,646	354							20,000
25	Road Safety Scheme	OG(DFT)Sec31	4,673	173,327							178,000
		PARK	-	48,500							48,500
	Sub Total		4,673	221,827	-	-	-	-	-	-	226,500
26	Cathodic Protection - Hard Interchange	CorpRsv	-	192,000	1,000,000						1,192,000
		CROC	-	8,000							8,000
	Sub Total		-	200,000	1,000,000	-	-	-	-	-	1,200,000

TRAFFIC AND TRANSPORTATION PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2018	Revised Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020/21	Estimate for 2021/22	Estimate for 2022/23	Estimate for 2023/24	Exp. in Subsequent Years	Final Cost
27	Central Corridor	CP(DFT)IT	-	3,000	247,000						250,000
28	Smart Cities - Intelligent Transport System - Phase 1	CorpRsv	-	50,000	450,000						500,000
29	Western Corridor - South	CP(DFT)IT	-		120,000						120,000
30	Pedestrian Crossing - Henderson Rd	CP(DFT)IT	-		80,000						80,000
31	On-Street Residential EV Chargepoint Scheme (ORCS)	PARK	10,700	51,300	15,000						77,000
		OG	-	100,000							100,000
	Sub Total		10,700	151,300	15,000	-	-	-	-	-	177,000
32	Enhancements to Routes Across The City (Quieter Routes)	PARK	129	19,871	80,000						100,000
	Sub Total		129	19,871	80,000	-	-	-	-	-	100,000
33	Additional Enforcement Cameras	PARK	69,600	1,940							71,540
	Sub Total		69,600	1,940	-	-	-	-	-	-	71,540
34	Air Quality Infrastructure Improvements	OG	-	245,000							245,000
		CP(DFT)IT	-								0
		CorpRsv	-	44,672	72,328						117,000
	Sub Total		-	289,672	72,328	-	-	-	-	-	362,000
35	Transport Data Geographic Information System (GIS)	PARK	-	50,000	50,000	50,000					150,000
	Sub Total		-	50,000	50,000	50,000	-	-	-	-	150,000
36	Air Quality - Bus Fleet Retrofitting	OGENV	-		1,600,000						1,600,000
	Sub Total		-	-	1,600,000	-	-	-	-	-	1,600,000

TRAFFIC AND TRANSPORTATION PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2018	Revised Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020/21	Estimate for 2021/22	Estimate for 2022/23	Estimate for 2023/24	Exp. in Subsequent Years	Final Cost
37	Extension to Park & Ride Multi Story Car Park - Design	CP(DFT)IT	-		350,000						350,000
	Sub Total		-	-	350,000	-	-	-	-	-	350,000
38	Smart Cities: Intelligent Transport System Phase 2	CP(DFT)IT	-		200,000						200,000
	Sub Total		-	-	200,000	-	-	-	-	-	200,000
39	The Hard Interchange Auxiliary Works	CP(DFT)IT	-		300,000						300,000
	Sub Total		-	-	300,000	-	-	-	-	-	300,000
	Grand Total		52,396,492	13,950,972	11,509,189	2,685,647	1,964,682	4,008,173	5,935,404	19,932,358	112,382,918

HOUSING PORTFOLIO (GF)

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2018	Revised Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020/21	Estimate for 2021/22	Estimate for 2022/23	Estimate for 2023/24	Exp. in Subsequent Years	Final Cost
1	Support For Vulnerable People	CorpRsv	2,347,912								2,347,912
		CP(DCLG)DFG	1,124,300								1,124,300
		CP(DCSF)BN	250,729								250,729
		CP(DH)CG	762,300								762,300
		GGR(DCLG)PSR	179,526								179,526
		GGR(DCLG)DF	634,100								634,100
		OC	1,555,684	195,513	200,400	205,411	210,545	200,000	200,000	200,000	2,967,553
		LR(HIP)	1,388,842	293,697	6,040	18,691	31,658	0	0	0	1,738,928
		BCF(DFG)DCLG	2,401,403	264,973	0	0	0	0	0	0	2,666,376
		OC	-	1,882,259	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	10,882,259
		OG	162,513								162,513
		OG(DCLG)CD	1,318,131								1,318,131
	Sub Total		12,125,440	2,636,442	1,706,440	1,724,102	1,742,203	1,700,000	1,700,000	1,700,000	25,034,627
	Removal of Hazards & Risks Within The Home	GGR(DCLG)PSR	372,963								372,963
		LR(HIP)	1,638,939	150,393	359,153	368,132	377,335	350,000	350,000	350,000	3,943,952
		CorpRsv	-	200,000							200,000
	Sub Total		2,011,902	350,393	359,153	368,132	377,335	350,000	350,000	350,000	4,516,915
3	Grants to Registered Social Landlords	S106(Hsg)	259,000								259,000
		CorpRsv	1,994								1,994
		NewS106(Hsg)	86,000		380,000	250,000					716,000
	Sub Total		346,994	-	380,000	250,000	-	-	-	-	976,994
4	Homes For Homeless	CorpRsv	-		464,200						464,200
		S106(Hsg)	-		35,800						35,800
		UB	-			500,000					500,000
	Sub Total		-	-	500,000	500,000	-	-	-	-	1,000,000
	Grand Total		14,484,336	2,986,835	2,945,593	2,842,234	2,119,538	2,050,000	2,050,000	2,050,000	31,528,536

HOUSING PORTFOLIO (HRA)

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2018	Revised Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020/21	Estimate for 2021/22	Estimate for 2022/23	Estimate for 2023/24	Exp. in Subsequent Years	Final Cost
1	HRA Assets (Non Dwelling)	B(HRA)	3,714,358								3,714,358
		CorpRsv	-	139,100							139,100
		RCCO(HRA)	10,557,024	644,343	297,000	297,000	297,000	297,000	297,000	297,000	12,983,367
		OC	88,918								88,918
		OCRec(HRA)	2,737								2,737
		UB(HRA)	246,614								246,614
		OG(DFT)LSTFSec31	30,000								30,000
	Sub Total		14,639,651	783,443	297,000	297,000	297,000	297,000	297,000	297,000	17,205,094
2	Total Major Repairs Dwellings	B(HRA)	134,210								134,210
		OC	5,461,053	883,269	400,000	400,000	400,000	400,000	400,000	400,000	8,744,322
		RCCO(HRA)	120,793,376	18,996,090	21,915,630	23,060,334	24,372,348	26,346,778	28,412,249	28,381,953	292,278,758
		OG	1,054,584								1,054,584
		UB(HRA)	11,841,361	1,860,893							13,702,254
		CRec(HRA)	290,822								290,822
		CorpRsv	85,000	193,700							278,700
	Sub Total		139,660,406	21,933,952	22,315,630	23,460,334	24,772,348	26,746,778	28,812,249	28,781,953	316,483,650
3	King William Street	UB(HRA)	-								-
		CRec(HRA)	75,814								75,814
		OCRec(HRA)	666,143	-							666,143
		S106(Hsg)	14,000								14,000
		OC	7,500								7,500
		OG	325,000								325,000
	Sub Total		1,088,457	-	-	-	-	-	-	-	1,088,457
4	Southsea Community Centre	UB(HRA)	-		1,809,483						1,809,483
		CRec(HRA)	99,837	29,082	775,493	81,925					986,337
		RCCO(HRA)	641								641
		OCRec(HRA)	99,259	67,859		191,159					358,277
	Sub Total		199,737	96,941	2,584,975	273,084	-	-	-	-	3,154,737

HOUSING PORTFOLIO (HRA)

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2018	Revised Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020/21	Estimate for 2021/22	Estimate for 2022/23	Estimate for 2023/24	Exp. in Subsequent Years	Final Cost
5	Plot 2 Wellington Street	CRec(HRA)	924,206	13,560							937,766
		UB(HRA)	70,813								70,813
		RCCO(HRA)	917,245								917,245
		OCRec(HRA)	1,107,327	31,640							1,138,967
	Sub Total		3,019,591	45,200	-	-	-	-	-	-	3,064,791
6	Arthur Pope House	UB(HRA)	4,500,000	629,849							5,129,849
		CRec(HRA)	2,401,670	269,935	38,400						2,710,005
		RCCO(HRA)	1,732								1,732
		OCRec(HRA)	1,391,790		89,600						1,481,390
	Sub Total		8,295,192	899,784	128,000	-	-	-	-	-	9,322,976
	Development Internal Charges	UB(HRA)	-								-
		CRec(HRA)	56,889								56,889
		OCRec(HRA)	431,496	50,000							481,496
	Sub Total		488,385	50,000	-	-	-	-	-	-	538,385
8	Kingsclere Avenue	UB(HRA)	1,645,289	2,860,961							4,506,250
		OCRec(HRA)	492,413	541,539	298,086						1,332,038
		CRec(HRA)	896,588	1,500,000	127,751						2,524,339
		OG		97,500							97,500
	Sub Total		3,034,290	5,000,000	425,837	-	-	-	-	-	8,460,127
9	Blendworth Crescent	UB(HRA)	3,666,700	1,032,553							4,699,253
		OCRec(HRA)	1,149,855		84,000						1,233,855
		CRec(HRA)	1,985,971	442,523	36,000						2,464,494
	Sub Total		6,802,526	1,475,075	120,000	-	-	-	-	-	8,397,601

HOUSING PORTFOLIO (HRA)

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2018	Revised Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020/21	Estimate for 2021/22	Estimate for 2022/23	Estimate for 2023/24	Exp. in Subsequent Years	Final Cost
10	Nessus Street	UB(HRA)	487,184								487,184
		S106(Hsg)	12,000	2,000							14,000
		OCRec(HRA)	67,649								67,649
		OG	660,000								660,000
	Sub Total		1,226,833	2,000	-	-	-	-	-	-	1,228,833
11	Holybourne Road	UB(HRA)	588,695	17,500							606,195
		CRec(HRA)	568,655	7,500							576,155
		OCRec(HRA)	632,487								632,487
	Sub Total		1,789,837	25,000	-	-	-	-	-	-	1,814,837
	Longdean	UB(HRA)	-	50,000	1,933,110	2,544,302	30,000				4,557,412
		OCRec(HRA)	-		206,890	665,698	70,000				942,588
	Sub Total		-	50,000	2,140,000	3,210,000	100,000	-	-	-	5,500,000
13	Highgrove House	UB(HRA)	-	50,000	1,063,330	2,126,670	18,000				3,258,000
		OCRec(HRA)	-				42,000				42,000
	Sub Total		-	50,000	1,063,330	2,126,670	60,000	-	-	-	3,300,000
14	Eastern Rd New Properties	S106(Hsg)	-	50,000							50,000
		UB(HRA)	1,039,054		40,000						1,079,054
		OG	292,499								292,499
		OCRec(HRA)	433,179								433,179
	Sub Total		1,764,732	50,000	40,000	-	-	-	-	-	1,854,732
15	Doyle Avenue New Build Properties	OCRec(HRA)	25,228								25,228

HOUSING PORTFOLIO (HRA)

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2018	Revised Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020/21	Estimate for 2021/22	Estimate for 2022/23	Estimate for 2023/24	Exp. in Subsequent Years	Final Cost
16	Replacement Homes	CRec(HRA)	682,250	469,240	300,000	300,000	300,000	300,000	300,000	300,000	2,951,490
		ORec(HRA)	588,620				553,698	638,573	624,294	594,220	2,999,405
		UB(HRA)	1,003,295	835,092	700,000	700,000	146,302	61,427	75,706	105,780	3,627,602
		S106(Hsg)	-	259,800							259,800
	Sub Total		2,274,165	1,564,132	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	9,838,297
17	Bredenbury Crescent	CRec(HRA)	-	17,250	110,400	1,350					129,000
		UB(HRA)	-	40,250	257,600	3,150					301,000
	Sub Total		-	57,500	368,000	4,500	-	-	-	-	430,000
	Grand Total		184,309,030	32,083,027	30,482,772	30,371,588	26,229,348	28,043,778	30,109,249	30,078,953	391,707,745

NEW SCHEMES STARTING IN 2019/20 and Relying on Available Corporate Resources

CAPITAL PROGRAMME

Description of Scheme	Scheme Details	Council Contribution £	Total Capital Cost £	Revenue Cost / (Saving)
Education				
Maintained Schools - Urgent Conditions Projects (2 year Planned Programme 2019/20 to 2020/21)	A 2 year Planned Programme to address urgent school condition issues (Priority 1: Urgent repairs that require remedy within 1-2 years); priority items raised in the school condition surveys, and other statutory items recommended as a priority by Housing, Neighbourhood & Building Services	1,600,000	1,770,000	
Additional Special School Places - Design	The SEND (Special Educational Needs & Disability) Strategic Review forecasts a significant increase in demand for pupils with complex/profound & multiple needs within the City. Additional SEND accommodation is urgently needed and this city-wide Preparation, Brief & Concept Design will provide a strategic approach to future expansion plans	500,000	679,200	
Additional School Places in Mainstream Schools - Design	Preparation, Brief and Concept Design leading to the provision of secondary school places at 3 schools in order to meet increasing demand for school places in the City	250,000	250,000	
Additional Secondary School Places - St Edmunds Catholic School - Grant	Contribution towards the cost of providing 80 additional secondary school places at St Edmunds Catholic School	650,000	650,000	
Additional School Places - 2020/21	Commencing in 2020/21 provision of additional 300 secondary school places in order to meet increasing demand for school places in the City	6,908,000	6,908,000	
Culture Leisure & Sport				
Investment in Football Facilities Including Changing Facilities	Investment in football facilities including: replacement of roofs; external repairs and decoration works; internal repairs to ceilings and floors and the installation of emergency lighting at King George V playing fields, and review of grass pitches and their playability	335,000	588,000	
Parks & Open Spaces Protection Measures to Prevent Incursion	Sites in Southsea do not have comprehensive unauthorised access prevention measures and have been susceptible to incursion in the recent past. This scheme will introduce measures to prevent further unauthorised vehicular access	50,000	50,000	(3,500)
Pyramids Refurbishment	Essential works including building repairs (internal & external); mechanical and electrical maintenance; replacement of flooring within the changing village and the replacement of flumes and other pool features which will ensure the continued commercial viability of the centre over the medium term	1,500,000	1,500,000	
Repair / Refurbishment of Southsea Splashpool	Repair to both the concrete surface of the splashpool and the water filtration system. The works will ensure the continued summer opening of this popular attraction which provides a safe play environment for young children	102,000	102,000	(1,000)
World War 1 Memorial Plaques	The project will enable the names of all servicemen from Portsmouth killed during World War 1 to be included within the boundaries of the existing memorial	45,000	45,000	
Contribution to Roof at Southsea Skatepark	Contribution towards the cost of the central roofing area at Southsea Skate Park	10,000	10,000	

NEW SCHEMES STARTING IN 2019/20 and Relying on Available Corporate Resources

CAPITAL PROGRAMME

Description of Scheme	Scheme Details	Council Contribution £	Total Capital Cost £	Revenue Cost / (Saving)
Contribution to Architectural Design to Enable Regeneration of the Guildhall	Preparation of designs for the regeneration of the Guildhall	40,000	40,000	
Contribution to Architectural Design to Enable Regeneration of the Kings Theatre	Preparation of designs for the regeneration of the Kings Theatre	40,000	40,000	
Provision of a Dog Exercise and Training Area	Provision of a Dog Exercising and Training Area in the city (subject to identification of a suitable area and planning permission)	11,000	11,000	500
Environment & Community Safety				
Air Quality Initiatives	This work will specifically focus on Air Quality Management Area (AQMA) 6, in which London Road demonstrates a continuous exceedance of the annual mean NO2 National Air Quality Objective (NAQO). These initiatives will support the Council to meet statutory responsibilities regarding air quality within Portsmouth	150,000	150,000	
Air Quality Equipment & Monitoring	The repair of existing equipment, initiation of upgrades to dilapidated equipment to increase the reliability, accuracy and capability of air quality monitoring including: New roadside enclosures and analysers (Oxides of Nitrogen - NOX and Particulate Matter - PM) New analysers and upgrading of equipment at the Burrfields Road site New communications equipment which will enable the more efficient downloading of data from stations Replacement enclosure at Gatcombe Park	100,000	100,000	
Health & Social Care				
Older Persons Supported Living (Extra Care Housing)	Extra Care Housing (ECH) meets the needs of vulnerable older people who require varying levels of on site care and support. This project will fill an identified gap in Portsmouth for ECH as an alternative to residential care and also to support the Adult Social Care strategy of creating more person centred services that enable people to live the life they want to live. As a consequence of this project residents will have their own self-contained homes	4,600,000	9,730,000	<i>See footnote</i>
Kestrel Centre Relocation to Civic Offices	Relocation of the City Council led Integrated Learning Disability service from the decommissioned St James Hospital site to the Civic Offices	350,000	350,000	
Housing & Property Services				
Homes For Homeless	Acquisition of residential properties by the City Council to reduce homelessness within the City and provide pathways for homeless persons into suitable accommodation	500,000	1,000,000	<i>See footnote</i>
PRED				
Brougham Road (Arts Centre) - External Repairs	A recent condition survey has highlighted the poor external condition of this Victorian building used by independent local artists. Due to unstable masonry and ironworks immediate and essential repairs are necessary	300,000	300,000	

NEW SCHEMES STARTING IN 2019/20 and Relying on Available Corporate Resources

CAPITAL PROGRAMME

Description of Scheme	Scheme Details	Council Contribution £	Total Capital Cost £	Revenue Cost / (Saving)
Public Realm - Improvements to Station Square & Isambard Brunel Road	Improvement to the attractiveness of public realm in the Station Square and Isambard Brunel Road areas leading to an improvement in vibrancy for residents and visitors	250,000	250,000	
Resources				
Review of Revenues & Benefits Software Applications	Replacement of ageing document imaging software to enable greater levels of processing automation and leading to improved functionality, system integration the development of self serve opportunities for residents	188,000	188,000	(253,500)
Landlord's Maintenance 2019/20	Housing, Neighbourhood and Building Services have landlord maintenance responsibility for over 2,000 operational assets. Detailed surveys are carried out and updated annually, to ensure that maintenance needs of all assets are recognised and planned for within the medium term maintenance programme. Remediation requirements are categorised according to their severity and impact. Only works classified as being of the highest priority will proceed. Proposed maintenance work combine a number of projects including building works, mechanical and electrical installations and lift refurbishments	1,750,000	1,750,000	
The People's Network - Windows 10 Upgrade	This project is to upgrade current devices that are used to provide public access services at various locations across the city from Windows 7 to Windows 10. Windows 7 support ends January 2020 after which, this operating system will become vulnerable to cyber attack	350,000	350,000	42,200
Traffic & Transportation				
Local Transport Plan 3	<p>The Local Transport Plan (LTP) is a proactive plan prepared to complement the City Centre development and city centre road plans.</p> <p>The LTP programme of small schemes promotes the creation of an effective, integrated transport network designed to contribute towards corporate priorities and a range of transport objectives.</p> <p>Transport is an enabler of activity, and will underpin regeneration in the Portsmouth area. The regeneration and economic success of the city is dependent upon the reliability of the transport network, enabling people, freight and goods to access, and travel within the city</p> <p>It includes Road Safety schemes such as speed reduction and improvements to school routes, active travel schemes such as walking and cycling initiatives, pedestrian crossings, traffic signals and improvements to passenger information</p>	650,000	650,000	
Extension to Park & Ride Multi Story Car Park - Design	The provision of an expanded Park and Ride site is key to the economic development of both the Tipner and City Centre developments. In collaboration with stakeholders, this investment will allow the Council to design a facility that meets the future need of the City	350,000	350,000	

NEW SCHEMES STARTING IN 2019/20 and Relying on Available Corporate Resources

CAPITAL PROGRAMME

Description of Scheme	Scheme Details	Council Contribution £	Total Capital Cost £	Revenue Cost / (Saving)
Smart Cities: Intelligent Transport System Phase 2	<p>Intelligent Transport Systems (ITS) technologies are a key enabler to the economic regeneration aspirations of Portsmouth City Council. Traffic volumes are predicted to increase on an already constrained road network, requiring increased capacity to be achieved from the existing network to cope with higher demand without increasing journey times or compromising road safety.</p> <p>This programme of work comprises a number of schemes that involve using technology to enable smart transport infrastructure within the city. This includes remote monitoring and control of traffic equipment, real-time data capture of traffic and pedestrian movements, use of artificial intelligence (AI) to optimise traffic signals timing and the development of public facing solutions e.g. the creation of real time responsive 'green' signal waves for emergency vehicles and public transport, provision of journey-times for key-routes and provision of real-time incident/event information</p>	200,000	200,000	100,000
The Hard Interchange Auxiliary Works	This investment will replace the roof canopy and electronic doors of the main building and also replace the taxi rank toilet roof	300,000	300,000	0
Total of New Schemes Starting in 2019/20 Relying on Available Corporate Resources		22,079,000	28,311,200	(115,300)

Footnote -Where a scheme has more than one source of financing, scheme savings are shown within the prudential borrowing section of this appendix

NEW SCHEMES STARTING IN 2019/20 and Relying on Prudential Borrowing

CAPITAL PROGRAMME

Description of Scheme	Scheme Details	Council Borrowing £	Total Capital Cost £	Revenue (Saving) After Borrowing Costs
Schemes to be approved in principal and funded from prudential borrowing but only if supported by a satisfactory financial appraisal approved by the Director of Finance and S151 Officer which demonstrates that borrowing costs can be met from savings arising from the scheme				
Environment & Community Safety				
Single Material Recycling Facility	Council contribution towards a £42m investment in a new Single Materials Recovery Facility (SMRF) serving the whole of Hampshire, including the unitary authorities of Portsmouth and Southampton. This facility will replace 2 existing Material Recovery Facilities (one in Portsmouth and the other near Alton)	4,838,400	4,838,400	(420,600)
Waste Collection Vehicle Replacement	Replacement of the existing waste collection vehicle fleet which will be leased to the Council's waste collection contractor	4,125,000	4,125,000	
Health & Social Care				
Older Persons Supported Living (Extra Care Housing)	Extra Care Housing (ECH) meets the needs of vulnerable older people who require varying levels of on site care and support. This project will fill an identified gap in Portsmouth for ECH as an alternative to residential care and also to support the Adult Social Care strategy of creating more person centred services that enable people to live the life they want to live. As a consequence of this project residents will have their own self-contained homes	2,836,000	9,730,000	(491,900)
Housing & Property Services				
Homes For Homeless	Acquisition of residential properties by the City Council to reduce homelessness within the City and provide pathways for homeless persons into suitable accommodation	500,000	1,000,000	
PRED				
Development of Cruise & Ferry Port	The aim of this strategic investment is to attract higher numbers of cruise line operators to the city and to expand the Port's existing cruise business. The proposal includes an extension to the terminal building, a new passenger access bridge & walkway and berth works	12,700,000	12,700,000	
Passenger Boarding Bridge	Replacement of the existing 30 year old passenger boarding bridge located at the Port, which is no longer fit for purpose. This piece of equipment is a key requirement of the Port's largest customer, Brittany Ferries	5,000,000	6,000,000	
Resources				
MMD Capital Investment	Loan financing advanced to MMD at commercial rates of interest to enable the diversification of MMD's existing operations while increasing capacity and responsiveness to changes in the market	15,000,000	15,000,000	
Total of New Schemes Starting in 2019/20 Relying on Prudential Borrowing		44,999,400	53,393,400	(912,500)

NEW SCHEMES STARTING IN 2019/20 and Relying on Reserves

CAPITAL PROGRAMME

Description of Scheme	Scheme Details	Reserves Contribution £	Total Capital Cost £	Revenue Cost / (Saving)
Schemes to be approved in principal and funded from reserves but only if supported by a satisfactory financial appraisal approved by the Director of Finance & S151 Officer				
Education				
Enable and Improve Mobile Working	The provision of mobile-working enabled IT equipment to front line staff, leading to streamlined working practices and to the maximisation of the benefits arising from the new client record and management system currently being implemented within the Directorate	191,000	191,000	(48,000)
Environment & Community Safety				
Public Toilets New Provision City (3 sites)	Following a feasibility study a scheme totalling £380,000 is proposed to install public toilets at three locations. The installations are capable of either being self contained toilet blocks or installed into an existing building	200,000	380,000	36,000
Replacement of WC Hand Washing and Drying Units	Replacement of existing WC hand washing and drying units with new modern units across the city's public conveniences. Current units are obsolete making it difficult to obtain replacement parts. A total of 40 units will be replaced	130,000	130,000	
Food Waste Recycling - Pilot	A pilot to separate food waste from other domestic waste. Pilot will collect food waste from up to 8,000 households for 6 months. The aim is to reduce residual waste and improve recycling rates	114,200	114,200	
Health & Social Care				
Enable Mobile Working	This investment will provide social workers and occupational therapists with mobile-working enabled IT equipment, such as tablets and smart phones. It will provide staff with both smarter ways of working and greater efficiencies	182,000	182,000	
Older Persons Supported Living (Extra Care Housing)	Extra Care Housing (ECH) meets the needs of vulnerable older people who require varying levels of on site care and support. This project will fill an identified gap in Portsmouth for ECH as an alternative to residential care and also to support the Adult Social Care strategy of creating more person centred services that enable people to live the life they want to live. As a consequence of this project residents will have their own self-contained homes	1,000,000	9,730,000	See footnote
PRED				
Passenger Boarding Bridge	Replacement of the existing 30 year old passenger boarding bridge located at the Port, which is no longer fit for purpose. This piece of equipment is a key requirement of the Port's largest customer, Brittany Ferries	1,000,000	6,000,000	See footnote

NEW SCHEMES STARTING IN 2019/20 and Relying on Reserves

CAPITAL PROGRAMME

Description of Scheme	Scheme Details	Reserves Contribution £	Total Capital Cost £	Revenue Cost / (Saving)
Schemes to be approved in principal and funded from reserves but only if supported by a satisfactory financial appraisal approved by the Director of Finance & S151 Officer				
Resources				
Utilities & Energy Management 2019/20	Investment in solar Photo Voltaic cells, low energy lighting, heating controls and other technologies, which will reduce energy consumption and also reduce the councils carbon footprint	1,050,000	1,050,000	(140,000)
Enterprise Resource Planning (ERP) Software Replacement	Replacement of the Council's core Financial, HR, Procurement and reporting systems with a modern cloud based ERP software solution and where appropriate, specialised functional software that can be integrated with the new ERP software solution, generating substantial future savings	2,000,000	2,000,000	(350,000)
Total of New Schemes Starting in 2019/20 Relying on Reserves		5,867,200	19,777,200	(502,000)

Footnote -Where a scheme has more than one source of financing, scheme savings are shown within the prudential borrowing section of this appendix

PRUDENTIAL INDICATORS

Details of the Capital Programme are contained in Appendix 1

Ratio of Financing Costs to Net Revenue Stream						
	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate
Non - HRA	10.9%	12.3%	14.1%	15.1%	14.7%	13.4%
HRA	7.2%	7.6%	7.5%	7.3%	7.0%	6.7%

Capital Financing Requirement						
	2018/19 Estimate £'000s	2019/20 Estimate £'000s	2020/21 Estimate £'000s	2021/22 Estimate £'000s	2022/23 Estimate £'000s	2023/24 Estimate £'000s
Non - HRA	462,572	505,127	523,617	527,552	525,104	522,146
HRA	174,404	180,207	182,628	179,868	176,975	174,097

Authorised Limit for External Debt						
	2018/19 Estimate £'000s	2019/20 Estimate £'000s	2020/21 Estimate £'000s	2021/22 Estimate £'000s	2022/23 Estimate £'000s	2023/24 Estimate £'000s
Borrowing	658,069	674,378	679,970	686,155	675,504	673,596
Other Long Term Liabilities (ie. Credit Arrangements)	66,151	62,377	57,151	51,340	46,032	42,494
Total	724,220	736,755	737,121	737,495	721,536	716,090

Operational Boundary for External Debt						
	2018/19 Estimate £'000s	2019/20 Estimate £'000s	2020/21 Estimate £'000s	2021/22 Estimate £'000s	2022/23 Estimate £'000s	2023/24 Estimate £'000s
Borrowing	640,093	645,043	650,269	656,079	656,047	653,750
Other Long Term Liabilities (ie. Credit Arrangements)	66,151	62,377	57,151	51,340	46,032	42,494
Total	706,244	707,420	707,420	707,420	702,079	696,244

Title of meeting:	Cabinet Meeting
Date of meeting:	5 th February 2019
Subject:	Procurement of a Contractor for City Centre Regeneration
Report by:	Director of Regeneration
Wards affected:	Charles Dickens
Key decision:	Yes/ No
Full Council decision:	Yes /No

1 Purpose of report

- 1.1 This report seeks approval to progress and conclude the appointment of a Design & Build Partner Contractor to be used to deliver the new road and highways infrastructure required to deliver the wider redevelopment of the City Centre.
- 1.2 The recommendations in this report should be considered as the first step in the Council plans to facilitate the Cultural Regeneration of the City Centre. This report is aligned with other key work streams such as the refreshing of the City Centre masterplan and Supplementary Planning Document (SPD), the delivery of key infrastructure to support growth in the City and the revitalisation of Commercial Road. All need to come together to deliver regeneration and growth for the City Centre and Portsmouth as a whole.
- 1.3 Officers are conscious that sites in the City Centre have not progressed for some time due to market factors. Officers are confident that once developed, the increased activity will bring people back to Commercial Road and this will be the catalyst required to bring forward development to the surrounding areas however this does need a development of scale to go first.
- 1.4 Officers are clear that any proposal must deliver outcomes in line with the Council Plan and the council's Cultural Regeneration aspirations, whilst being a viable commercial prospect.
- 1.5 The Council is in the final stages of an OJEU advertised Public Contracts Regulations (2015) compliant procurement process to secure a contractor to work alongside the Council in developing this area.

- 1.6 Subject to approval by the Council's Procurement Gateway Board, approval by Cabinet and completion of the statutory standstill period without challenge from unsuccessful bidders the successful Contractor should be secured in mid-February 2019.
- 1.7 The Contractor will be secured on the basis of a nil value framework agreement which will allow the Council to draw down works and services on an incremental phased basis.
- 1.8 Establishment of the framework agreement will place no obligation on the Council to enter into draw down contracts.
- 1.9 The framework agreement has no defined end date other than expiry at completion of the project and may be terminated unilaterally by the Council at any point.
- 1.10 The framework agreement may be used to commission a broad scope of activities which include but are not limited to:
- Early contractor involvement activities
 - Assisting the Employer in identifying and securing grant funding and other sources of finance
 - Design co-ordination and progression
 - Engagement with Portsmouth City Council Highways PFI Maintenance Contractor
 - Surveys
 - Capacity modelling
 - Planning application activities
 - Enabling works
 - Stakeholder management
 - Communications
 - Programming & phasing
 - Cost development and control
 - Sub-contract / supply chain engagement and involvement
 - Obtaining required statutory approvals
 - Construction
 - Traffic management
 - Defects management on design & build basis
 - Further maintenance activities as required and agreed
- 1.11 Activities may be sourced via separate contracts using the appropriate NEC4 form of contract or may be grouped together at the Council's option to ensure that the right balance is made in respect of commerciality and risk exposure.

- 1.12 Approval is also sought for delegated authority to enable the commencement of initial activities.

2 Recommendations

The report is looking for Cabinet to:

- 2.1 Agree to the progression and conclusion of the procurement to secure the framework Contractor as outlined above.
- 2.2 To delegate authority to the Director of Regeneration to allow contracts to be let up to the value of £1m within this framework with the successful contractor. In addition to this Delegated Authority is sought for contracts to be entered into between £1m and £5m to the Director of Regeneration following with the approval of Project Board, chaired by the Leader of the Council, and s. 151 Finance Officer. Anything above this will necessitate further Cabinet approval.

3 Background

Context

- 3.1 Portsmouth is a bustling island city on the south coast, with a population of approximately 215,000 living within an area of 15.5 square miles (40.15 sq. km). The city boomed in the 19th and 20th centuries although its importance as a port and strong associations with the Royal Navy predate this. Indeed, the presence of the Royal Navy and the dockyard has long shaped the city's economy and image, acting as a catalyst to create a network of defence and related industries, as well as a naval heritage based tourist industry. Portsmouth is one of the world's great port cities.
- 3.2 Today, Portsmouth is multi-faceted, with huge strengths, assets and opportunities, and big ambitions.

Portsmouth City Council's Priorities

- 3.3 Recently the council has set out new priorities so stakeholders can see our aims and aspirations for the city and understand the areas we will be focusing on in the coming months.
- 3.4 This is significant because, as we continue to work in extremely challenging times, it is more important than ever that we all understand what we are working together to achieve, and what we all – every single person who works here or volunteers for the council – contributes to making our aspirations a reality for the people of this city.

Vision

- 3.5 The Council's vision is that Portsmouth will become a great waterfront city with a globally competitive knowledge economy and in order to do this the Council is developing a strategy which is based around two key themes:
- To support economic growth, innovation and enterprise
 - To enhance the competitiveness of our city
- 3.6 Our vision for Portsmouth draws on its renowned naval and industrial heritage to create an exciting future, and one that is no longer founded upon large public sector employers or low-skilled jobs. Instead, we believe that Portsmouth should focus on realising the opportunities presented by the knowledge economy to build a globally competitive environment for business and enterprise, within the context of a prosperous south Hampshire, and to attract investment and visitors.
- 3.7 To do this, we must continue to regenerate priority areas, improve skills, increase aspirations and support the development of sustainable communities. The City Centre is one such priority area.
- 3.8 The key components to supporting this vision are supporting economic growth, innovation and enterprise, and enhancing the competitiveness of our city. The project was initiated in September 2015 when Savills were appointed to deliver a vision and masterplan for this area of the city centre, with the road as a necessary part of the infrastructure to deliver the vision. Following an announcement by the LEP that funding was available to bid for, the emphasis moved from the masterplan to a planning application for the whole road scheme.

Vision for the City Centre

- 3.9 The regeneration of Portsmouth's City Centre is essential for the city's success and to this end the Council has a number of comprehensive work streams ongoing, the list includes (but is not limited to) the following:-
- The redevelopment of the City Centre North.
 - The provision of much needed road infrastructure.
 - The detailed master planning of the area.
 - Working with partners to bring renewed retail and leisure offers to Commercial Road and the Cascades shopping centre.
 - Investing in high quality public realm around Portsmouth & Southsea train station.
 - Expanding the range and quality of stalls at the City Centre Market.
 - Introducing new street food options to the area.

3.10 The vision for all of these work streams is for a vibrant and economically success business led high street is aligned with the wider Vision and Portsmouth's Corporate Plan.

3.11 For these work streams to be successful they need to aligned to council's vision and in the regeneration of the City Centre success would need to:

- Improve the image of the city and promote the opportunities and potential it offers.
- Support business and long-term economic growth in the city centre by encouraging key sector growth that supports the resurgence of the existing City Centre & Commercial Road.
- Support the develop of the visitor economy
- Strengthen the retail opportunities available for residents and visitors by embracing changes to the traditional high streets model to create an environment that is fit for future purposes.
- Build more high quality private and affordable homes, bringing forward much needed homes for the city, including a range of affordable housing products to support growth in the City.
- To create new jobs both during the construction period but also dedicating some space in the designs to employment zones. The Council is looking to improve educational attainment and skills whilst raising aspirations.
- A new City Centre Road to improve accessibility to the area. The Council will encourage a range of sustainable travel infrastructure such as bus stops, cycle parking and cycle share schemes.
- Address the concerns around air quality and ensure that any changes to the highway network and wider development are geared towards improving air quality.
- To provide a city centre that is focussed on sustainable transport and active travel to promote improved health and reduce the reliance on cars.

3.12 There is a unique opportunity now to initiate a culturally led regeneration of Portsmouth to make it a major contributor to a vibrant, expanding city region. If successfully implemented, this strategy will help deliver a thriving city of sub-regional significance.

4. Reasons for Recommendations

4.1 A planning application was submitted in December 2017. This has not been determined and a decision has been taken to review the scope of the scheme, in conjunction with the emerging plans of private landowners. The refining of the scope will allow current and emerging policy to be considered, as well as more specific issues which now need to be included.

4.2 To enable this and specifically the delivery of the highway infrastructure it is necessary to appoint a partner contractor on an Early Contractor Involvement (ECI), followed by two stage design and build (D&B) contract.

- 4.3 Use of an overarching nil value framework agreement will allow Council to enter into specific, individual agreements with the Contractor to enable targeted support to the development and delivery of the scheme. If agreed, they can then be commissioned to undertake detailed design and construction of the new highway as separate work packages.
- 4.4 Four tenders have been received from pre-qualified major highways engineering contractors. Following detailed evaluation the 2 highest scoring bidders have been invited to a presentation interview on the 15th and 16th January 2019 respectively.
- 4.5 Subject to completion of the above activities an award recommendation will be taken to the Council's Procurement Gateway Board for approval on 4th February 2019.
- 4.6 Subject to approval by the Gateway Board and approval by Cabinet on 5th February 2019 the bidders will be notified of the Council's award decision triggering a statutory 10 calendar day 'standstill' period.
- 4.7 On the condition that no substantial challenge is brought by the unsuccessful bidders - i.e. injunction to suspend the procurement process - the Council will be able to proceed with the award of the nil value framework agreement to the successful Contractor in mid-February 2019.
- 4.8 Various funding bids have been submitted, with the scheme successfully getting through to the next stage of the Solent Prosperity Fund bid process. Should the Council be successful in achieving the grant from the LEP, then this funding needs to be spent by 31 March 2021.
- 4.9 By appointing a Contractor at this stage, the project will benefit from having an experienced Contractor as part of the development team to facilitate early survey and enabling works. This should also strengthen the funding bid in terms of deliverability.

5. Equality impact assessment

- 5.1 Following discussion with the City Council's Access and Equality Advisor, it is confirmed that an EIA is not required at this stage as the recommendations in this report is only seeking authority to enter into a framework contract to allow the infrastructure redevelopment to be put in place in the future, this will not have a detrimental impact on any of the protected characteristics. If agreed, the council will commission to undertake detailed design and construction of the new highway and Individual EIAs will be completed at the appropriate time when there is specific design or on site delivery.

6. Legal Implications

- 6.1 The procurement process as described in the main body of this report has been carried out in accordance with the Public Contracts Regulations 2015 and the Council's Contract Procedure Rules, and will be further subject to the Gateway Board approval. Therefore, a risk of successful legal challenge to the award of the framework contract to a chosen tenderer is considered low.

- 6.2 The Public Contracts Regulations 2015 allow for a single supplier framework to be established. Proposed framework agreement terms were published as part of the procurement process whereby the Council set out its non-negotiable commercial terms that a successful contractor will be required to accept. The framework terms have been drafted to protect the Council's financial position and ensure flexibility through releasing separate packages of work when the need arises.
- 6.3 The Cabinet has the power to approve the recommendations set out in paragraph 2, which constitute a key decision pursuant Chapter 13, Part 1 ("Decision Making") and Part 3 ("Executive Procedure Rules") of the Council's Constitution.

7. Director of Finance's comments

- 7.1 The Council has made provision for a significant contribution to the City Centre Road scheme which is part of the overall City Centre Regeneration project.
- 7.2 Any costs arising from the appointment of a contractor under the delegated authorities sought for in this report for the ECI, enabling works and design of the scheme can be funded from this approved funding allocation.

.....
Signed by: Tristan Samuels, Director of Regeneration

Appendices:
None

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: Cllr Gerald Vernon-Jackson, Leader of the Council on behalf of the Cabinet

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Title of meeting:	Cabinet Meeting
Date of meeting:	5 th February 2019
Subject:	City Centre Regeneration
Report by:	Director of Regeneration
Wards affected:	Charles Dickens
Key decision:	Yes/ No
Full Council decision:	Yes /No

1. Purpose of report

- 1.1. This report is asking Cabinet to support the regeneration of Portsmouth's City Centre.
- 1.2. This proposal is the first step on a journey to revitalise the City Centre and focuses on the long under used Tricorn site (currently under a long lease to the Delancey Group) together with other adjoining Council and Delancey Group owned land assets. An indicative red line plan can be found in confidential appendix A.
- 1.3. The report proposes that the Council and DV4 Limited (a Delancey Group owned vehicle) enter into a limited liability partnership ("LLP") on an equal 50/50 basis. The LLP will assemble land, design and co-develop the sites in line with the Council's aspirations for the regeneration of this area and to revitalise Commercial Road.
- 1.4. The recommendations in this report should be considered as the first step in the Council plans to facilitate the Cultural Regeneration of the City Centre. This report is aligned with other key work streams such as the refreshing of the City Centre masterplan and Supplementary Planning Document (SPD), the delivery of key infrastructure to support growth in the City and the revitalisation of Commercial Road. All need to come together to deliver regeneration and growth for the city centre and Portsmouth as a whole.
- 1.5. Officers are conscious that this site and others in the City Centre have not progressed for some time due to market factors. Officers are confident that once developed, the increased activity will bring people back to Commercial Road and this will be the catalyst required to bring forward development to the surrounding areas however this does need a development of scale to go first.

- 1.6. Officers are clear that any proposal must deliver outcomes in line with the Council Plan and the council's Cultural Regeneration aspirations, whilst being a viable commercial prospect.
- 1.7. On this basis officers are looking to progress the project and are requesting delegated responsibility to work up a scheme to feasibility level with the development partner, this approach limits the Council's commercial risk before a decision to invest in the project can be made.

2. Recommendations

The report is looking for Cabinet to:

- 2.1. Agree the Heads of Terms for the joint venture LLP with the DDV4 as proposed.
- 2.2. Delegate authority to the Director of Finance and Information Services, the Head of Legal and the Director of Regeneration to negotiate and enter into the joint venture LLP in line with the agreed Heads of Terms.
- 2.3. Delegate to the Director of Regeneration the management of spend on project related works against the capital budgets for the City Centre Regeneration. Spend will include negotiations and agreement of contracts, co-development of a feasibility study to ensure that the joint venture is fundable and delivers economic and commercial benefits for the Council and co-developing a meanwhile use for the site.
- 2.4. Delegate authority to the Leader and S151 Officer for the use of unsupported borrowing to fund the joint venture, subject to agreeing that the proposals are feasible and viable.

3. Background

Context

- 3.1. Portsmouth is a bustling island city on the south coast, with a population of approximately 215,000 living within an area of 15.5 square miles (40.15 sq. km). The city boomed in the 19th and 20th centuries although its importance as a port and strong associations with the Royal Navy predate this. Indeed, the presence of the Royal Navy and the dockyard has long shaped the city's economy and image, acting as a catalyst to create a network of defence and related industries, as well as a naval heritage based tourist industry. Portsmouth is one of the world's great port cities.
- 3.2. Today, Portsmouth is multi-faceted, with huge strengths, assets and opportunities, and big ambitions.

Portsmouth City Council's Priorities

- 3.3. Recently the council has set out new priorities so stakeholders can see our aims and aspirations for the city and understand the areas we will be focusing on in the coming months (see a copy in appendix D).
- 3.4. This is significant because, as we continue to work in extremely challenging times, it is more important than ever that we all understand what we are working together to achieve, and what we all – every single person who works here or volunteers for the council – contributes to making our aspirations a reality for the people of this city.

Vision

- 3.5. The Council's vision is that Portsmouth will become a great waterfront city with a globally competitive knowledge economy and in order to do this the Council is developing a strategy which is based around two key themes:
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- 3.6. Our vision for Portsmouth draws on its renowned naval and industrial heritage to create an exciting future, and one that is no longer founded upon large public sector employers or low-skilled jobs. Instead, we believe that Portsmouth should focus on realising the opportunities presented by the knowledge economy to build a globally competitive environment for business and enterprise, within the context of a prosperous south Hampshire, and to attract investment and visitors.
- 3.7. To do this, we must continue to regenerate priority areas, improve skills, increase aspirations and support the development of sustainable communities. The City Centre is one such priority area.
- 3.8. The key components to supporting this vision are supporting economic growth, innovation and enterprise, and enhancing the competitiveness of our city.

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- 3.9. The regeneration of Portsmouth's City Centre is essential for the city's success and to this end the Council has a number of comprehensive work streams ongoing, the list includes (but is not limited to) the following:-
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- 3.10. The vision for all of these work streams is for a vibrant and economically success business led high street is aligned with the wider Vision and Portsmouth's Corporate Plan.
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 - A new City Centre Road to improve accessibility to the area. The Council will encourage a range of sustainable travel infrastructure such as bus stops, cycle parking and cycle share schemes.
 - Address the concerns around air quality and ensure that any changes to the highway network and wider development are geared towards improving air quality.
 - To provide a city centre that is focussed on sustainable transport and active travel to promote improved health and reduce the reliance on cars.

- 3.12. There is a unique opportunity now to initiate a culturally led regeneration of Portsmouth to make it a major contributor to a vibrant, expanding city region. If successfully implemented, this strategy will help deliver a thriving city of sub-regional significance.

4 Reasons for Recommendations

- 4.1 City Centres and High Streets across the UK are struggling. Traditional retail models built around property ownership are under threat and Portsmouth is no different. The Council is aware of these trends and is prepared to take action to shape the future of the City, through interventions if necessary.
- 4.2 Portsmouth City Council has a long held strategic ambition (dating back to the late 1990s) to deliver a comprehensive mixed-use, retail-led regeneration of the Northern end of the City Centre.
- 4.3 In 2004 Centros Portsmouth Limited Partnership (a Delancey owned SPV) purchased the remaining 50% leasehold interest in the former Tricorn site and simultaneously entered into a Development Agreement with the City Council to deliver a retail led mixed use redevelopment of the Northern Quarter area.
- 4.4 To enable the comprehensive redevelopment the City Council promoted and secured compulsory purchase powers by the Portsmouth City Council (Northern Quarter Redevelopment, Portsmouth) Compulsory Purchase Order 2006. The order expired in December 2010.
- 4.5 The property recession in 2009, led to significant financial difficulty in the viability of re-development proposals. This coupled with the amount of money already invested, meant that the Delancey group took the decision to hold their Portsmouth assets until such time as they believed delivery of a new scheme was achievable.
- 4.6 The opportunity to take control and deliver this long vacant asset is here and officers are promoting that through partnership working, the Council can deliver its new vision for the City Centre.
- 4.7 Successful regeneration of this area of the City needs to be a collaboration of a number of separate but linked work streams. This programme of work streams will act as a catalyst to ensure that the activities are undertaken in a timely manner and at the right cost to ensure the benefits of the work streams are maximised for all.
- 4.8 The Council's ambitious plans for culturally led regeneration aim to address myriad issues facing the city centre. This is a major programme of individual development projects that meets the city's needs, at the right time and for the right cost.

- 4.9 The Council have approached the Delancey to revive their interest. They have indicated that they are in a position to work in partnership with the City Council to develop plans for the northern end of the City Centre.
- 4.10 By engaging with Delancey on their proposal for a JV, PCC will have significant leverage in bringing forward solutions to the key issues that are affecting the City, namely:
- Economic growth and ensuring that any development is looking to the future to embrace the changes to the 'traditional' high street and deliver an environment that is fit for purpose.
 - To bring forward much needed homes for the city, including a range of affordable housing products to support growth in the City.
 - To create new jobs both during the construction period but also dedicating some space in the designs to employment zones.
- 4.11 The land to the north of the city centre consists of island sites isolated from commercial road and the surrounding residential community by the public highway. These busy roads are effectively barriers to any large scale regeneration activities in the area. By realigning the highway and diverting the majority of traffic away from the developable areas, links between these sites to the fabric of the City will start to create a vastly improved footprint for development. The benefits of this new alignment will include:-
- Restoring access to the area with increased footfall and new active travel routes. The Council will also be encouraging a range of sustainable travel interventions such as bus stops, cycle parking and cycle share schemes.
 - Address the concerns around air quality and ensure that any changes to the highway network and wider development are geared towards improving air quality.
 - To provide a city centre that is focussed on sustainable transport and active travel to promote improved health and reduce the reliance on cars.
- 4.12 The realigned road scheme will link into Commercial Road, both physically and in terms of the strategic direction of the development but will also deliver long term improvement to the area.
- 4.13 The Councils legal advisors have proposed that both parties engage by way of a LLP on a 50/50 basis to develop sites to the north of the Cascades centre.
- 4.14 Officers were asked to explore these discussions further and present back to Cabinet on what a partnership that benefits both parties could look like.
- 4.15 Having instructed Pinsent Masons to advise on the proposed LLP (see confidential appendix B for the legal advice note) and the ability for the Council to proceed with the transaction to ensure the Council has the powers to invest and participate in the LLP and is compliant with the Public Contract Regulations, officers have entered into a period of negotiation

with the Delancey Group to establish if some common ground exists and the result of this is the proposed joint venture heads of terms, agreed subject to Cabinet approval (see confidential appendix C for a copy of the agreed heads of terms).

- 4.16 Officers are now paused while the Cabinet considers whether the heads of terms and the legal advice received from Pinsent Masons are in line with the Council corporate plan to regenerate this under-used asset and that interventionist approach proposed is as per the original steer given by Cabinet Members.
- 4.17 Should the Cabinet be content with the progress, officers will be looking to advance the following three work streams:-
- negotiate and enter into the joint venture LLP;
 - progress the design and feasibility works to confirm to S151 officer and Cabinet that the development is fit for purpose and viable;
 - Work with Delancey to bring forward a phased approach to regenerating the area. This will include some "meanwhile uses".

5 Equality Impact Assessment

- 5.1 Not required at this stage of works.

6 Legal implications

- 6.1 Section 1 of the Localism Act 2011 provides local authorities a general power of competence, *i.e.* "power to do anything that individuals generally may do". This is providing (s.4 (2), 2011 Act) the authority must do so through a company.
- 6.2 LLPs are formed under and governed by the Limited Liability Partnerships Act 2000 and so do not fall within the legal definition of a company. The point has been tested via the High Court with external legal advice concluding the Council are entitled to rely on it and form an LLP provided the dominant purpose in forming the LLP is not commercial [whilst there may be commercial elements].
- 6.3 External legal advice has been sought as to the mechanism to include within the proposed LLP heads of terms to ensure the above tests are met.
- 6.4 In terms of the proposed procurement process external legal advice concludes the exemption - a "negotiated procedure without prior publication" may be able to be relied upon. Noting the potential risks attached to said route, procurement should be engaged from the outset to ensure the relevant criteria points as noted within the legal advice are met.

7 Director of Finance's Comments

- 7.1 The obligations of the parties are set out within the Heads of Terms in the appendices but a full financial appraisal and business case for entering into this agreement cannot be completed at this time.
- 7.2 Under the Heads of Terms the Council will transfer land holdings that it currently holds into the JV and the DV4 will also transfer their land holdings. The exact value of the land holdings are not currently known and will be subject to a proper land valuation prior to transfer.
- 7.3 Under these arrangements the JV will then undertake a feasibility of the site, seek planning permission, possibly acquire additional properties and undertake development works. None of these amounts are currently known.
- 7.4 The LLP will also be responsible for identifying third party funding for the agreement and will seek "meanwhile uses" for the land. The Heads of Terms state that any income earned by the JV will be reinvested into the development, but Members will have the opportunity to determine otherwise.
- 7.5 Any required compulsory purchase orders will be paid for by the JV and the DV4 will underwrite 50% of the total cost. A historic CPO Indemnity Agreement between the parties under which DV4 owe a sum of money to the Council exists. That sum has been agreed but not the mechanism for the payment.
- 7.6 The payment of this outstanding amount needs to be dealt with as part of this transaction although it may not be relevant to the joint venture finance arrangements. This will need considering as part of the overall deal.
- 7.7 The City Centre Road project part of which will serve the Site, has been developed at the expense of the Council. There will be costs for the joint venture to pay as proposed in this agreement but this is specifically in relation to the delivery of infrastructure where it relates to any redline of the planning application. It is proposed that this will be captured as part of a s.278 agreement.
- 7.8 Only once the JV documents, which will include operational and procurement policies have been formulated will a Business Plan and Budget be prepared.
- 7.9 The Council and its partner DV4 will provide 50% each of the funding required to acquire the Initial properties which may be a mixture of both land and Cash; this is to ensure that both parties have contributed 50% each. There is a potential risk that an inequality will arise overtime given the fluctuating nature of the value of land. Consideration will need to be given to this.
- 7.10 Both parties will jointly fund the working capital required for the formulation of a business plan on 50/50 basis, the cost of this business plan is currently unknown.

- 7.11 The Heads of Terms also set out that where there is an equity investment by one partner that is greater than the other then a greater share of any profits will be made to that party, although the underlying principle of the agreement is that this should not occur.
- 7.12 Profits will be distributed based on the share of interest within the partnership. No distribution of profits will be made without the repayment of third party debt. The repayment of which will be decided upon after taking account of the agreed waterfall. The details of which are not included within the Heads of Terms and will need to be agreed between the parties.
- 7.13 The investment by the Council will be in the form of land holdings; equity and debt funding, the amounts and proportions are not currently known and will need to be subject to a full financial appraisal which will need to be carried out when the business plan is formulated.

.....
Signed by:

Appendices:

- Appendix A - **Confidential** - Red line Plan for the Proposed JV
- Appendix B - **Confidential** - Pinsent Masons Legal advice
- Appendix C - **Confidential** - Agreed Heads of Terms
- Appendix D - Councils Plan

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


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

Title of document	Location

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

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Signed by:

Council plan

Working together:
putting people at the heart 

Our shared aim is to:
"Make Portsmouth
a place that is fairer
for everyone: a city
where the council
works together with
thriving communities
to put people at the
heart of everything
we do."



Our five priorities

Make Portsmouth a city that works together, enabling communities to thrive and people to live healthy, safe and independent lives.

- Working with our partners and communities to make sure the right support is available at the right time, giving people choice and control so they are empowered to live their lives
- Protecting, supporting and safeguarding the most vulnerable children and adults in our communities
- Working with the NHS and other partners to put people at the centre of joined up health and social care services
- Embracing the use of modern technologies for the benefit of local people
- Supporting and encouraging healthy lifestyles in all our communities, reducing health inequalities in our city
- Creating dialogue and forging alliances with the voluntary sector to help build resilient communities where people support themselves and each other
- Working with partners to tackle the causes and effects of homelessness in the city
- Exploring initiatives to ensure older people and those with disabilities have access to appropriate transport

Encourage regeneration built around our city's thriving culture, making Portsmouth a great place to live, work and visit.

- Putting cultural and creative industries at the heart of regeneration, developing new cultural focal points and experiences and working towards a bid for UK City of Culture
- Strengthening the city's position as a centre of excellence for marine industries and tech industries
- Taking a 'Portsmouth first' approach to property investments
- Encouraging businesses to invest in the city, supporting sustainable growth
- Encouraging the development of a skilled workforce, including supporting apprenticeships, so local people benefit from opportunities created by regeneration
- Making sure there are more good quality homes that local people can afford, including more council homes
- Investing in major infrastructure to unlock the city's potential, benefitting the people of Portsmouth now and in the future
- Promoting, protecting and enhancing our heritage
- Growing the city's visitor economy by developing Portsmouth into a major European city break destination where people come to enjoy world class events and attractions

Make our city cleaner, safer and greener.

- Making sure public spaces are greener, more sustainable, and well-maintained
- Encouraging people to keep Portsmouth clean, and taking action where necessary to tackle problems like litter and dog fouling
- Keeping weekly rubbish and fortnightly recycling collections
- Working to increase recycling and cut plastic waste
- Improving air quality by tackling congestion and parking issues, and by encouraging more people to walk, cycle and use public transport, including park and ride
- Encouraging road safety across Portsmouth
- Working with our partners to keep the city safe, including having more community wardens and using licensing to create a safer evening and late-night economy
- Engaging with communities and the Environment Agency so the Eastern Solent Coastal Partnership can build new sea defences, protecting the city from flooding

Make Portsmouth a great place to live, learn and play, so our children and young people are safe, healthy and positive about their futures.

- Working with schools and academies through Portsmouth Educational Partnership, making sure our children and young people get a high-quality rounded education that prepares them for the future
- Working with our partners to make sure our young people (14-19) have great links to future career and employment opportunities
- Recruiting and retaining 'Proud to be Portsmouth' teachers by supporting professional and career development
- Improving and expanding provision for special educational needs and disabilities
- Promoting positive emotional health for children and young people, including mental health awareness and anti-bullying programmes
- Making sure children and young people have access to a wide range of cultural and sporting activities and facilities, enhancing their quality of life
- Promoting positive physical health and encouraging physical activity
- Working with our partners to improve support for families in the city, with a focus on helping vulnerable families to function well
- Improving early years provision, so parents can access to high quality childcare

Make sure our council is a caring, competent and collaborative organisation that puts people at the heart of everything we do.

- Working together with our partners to build strong, resilient and thriving communities
- Working across directorates, using restorative practices to work with staff and managers and strengthen relationships
- Being innovative in our approach to service delivery and taking a creative approach to generating income, so we can support local communities despite financial challenges
- Consulting and engaging in dialogue with communities, and using that feedback to shape our services and inform improvements
- Making sure equalities principles underpin everything we do
- Ensuring our staff are paid The Living Wage*
- Working to ensure we have a modern, flexible, highly skilled, supported and motivated workforce to provide services that meet the needs of our residents

**as laid down by the Living Wage Foundation*



You can get this information in large print, Braille, audio or in another language by calling 023 9268 8651