
NOTICE OF MEETING

GOVERNANCE & AUDIT & STANDARDS COMMITTEE

FRIDAY, 8 MARCH 2019 AT 10.30 AM

THE EXECUTIVE MEETING ROOM - THIRD FLOOR, THE GUILDHALL

Telephone enquiries to 023 9283 4058
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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 Leo Madden (Chair)
Councillor Simon Boshier
Councillor John Ferrett
Councillor Ian Lyon
Councillor Hugh Mason
Councillor Neill Young

Standing Deputies

Councillor Jason Fazackarley
Councillor David Fuller
Councillor Benedict Swann
Councillor Tom Wood
Vacancy

(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 recommendation/s). Email requests are accepted.

AGENDA

1 Apologies for Absence

2 Declarations of Members' Interests

3 Minutes of the Meeting held on 1 February 2019 (Pages 7 - 20)

RECOMMENDED that the minutes of the meeting held on 1 February 2019 be confirmed and signed by the Chair as a correct record.

4 External Auditors 2017/18 Certification Report (Pages 21 - 30)

External Auditor's Certification Report for information and noting.

5 Audit Performance Status report to 22 February 2019 (Pages 31 - 50)

The purpose of the report is to update the Governance and Audit and Standards Committee on the Internal Audit Performance for 2018/19 to 22 February 2019 against the Annual Audit Plan, highlight areas of concern and areas where assurance can be given on the internal control framework.

The 2019/20 Audit Plan has also been drafted and presented for approval and is attached as Appendix C.

RECOMMENDED that Members

- (1) Note the Audit Performance for 2018/19 to 22nd February 2019.**
- (2) Note the highlighted areas of control weakness from the 2018/19 Audit Plan**
- (3) Endorse the Audit Plan for 2019/20.**

6 Treasury Management Policy (Pages 51 - 122)

The purpose of this report is to obtain the Council's approval of the updated Treasury Management Policy Statement (attached) which includes the Annual Investment Strategy.

RECOMMENDED

1a that the treasury management indicators contained in Appendix D be approved;

1b that the attached Treasury Management Policy Statement including the Treasury Management Strategy, and Annual Investment Strategy for 2019/20 be approved;

1c that the following changes compared to the previous Annual Investment Strategy be noted:

- (i) That a new category of non-specified investments be added to permit**

investment in pooled investment vehicles including equity funds, property funds, supply chain finance funds and multi asset funds with a limit of £50m per fund

(ii) That the maximum limit of an investment in a subsidiary company be increased from £20m to £30m

1d the Director of Finance and Information Technology (Section 151 Officer) and officers nominated by him have delegated authority to (paragraph 3.2 of Treasury Management Policy Statement):

(i) invest surplus funds in accordance with the approved Annual Investment Strategy;

(ii) borrow to finance short term cash deficits and capital payments from any reputable source within the authorised limit for external debt of £737m approved by the City Council on 12 February 2019;

(iii) reschedule debt in order to even the maturity profile or to achieve revenue savings;

(iv) to buy and sell foreign currency, and to purchase hedging instruments including forward purchases, forward options and foreign exchange rate swaps to mitigate the foreign exchange risks associated with some contracts that are either priced in foreign currencies or where the price is indexed against foreign currency exchange rates.

1e that the Chief Executive, the Leader of the City Council and the Chair of the Governance and Audit and Standards Committee be informed of any variances from the Treasury Management Policy when they become apparent, and that the Leader of the City Council be consulted on remedial action (paragraph 17.1 of Treasury Management Policy Statement)

7 Health and Wellbeing Board Constitution (Pages 123 - 136)

The purpose of the report is to seek approval for proposed changes to the constitution for the Health and Wellbeing Board (HWB). The changes are recommended to improve the effectiveness of the HWB as it fulfils its leadership role across the health and wellbeing system locally.

RECOMMENDED that Governance and Audit and Standards Committee

- (1) Support the changes to the constitution for the Health and Wellbeing Board set out below and**
- (2) Recommend these to Council on 19 March 2019.**

8 Councillor Training and Development (Pages 137 - 180)

The purpose of this information only report is to update members on the 2019 training programme for councillors.

9 Quarterly Performance Management Update (Pages 181 - 434)

Purpose - To report significant performance issues, arising from Q3 performance monitoring, to Governance and Audit and Standards committee and highlight areas for further action or analysis.

RECOMMENDED that the Governance and Audit and Standards Committee is asked to:

- 1) note the report;**
- 2) note the continued improvement in quality of reports from directorates;**
- 3) agree if any further action is required in response to performance issues highlighted**

10 Exclusion of Press and Public

**In view of the contents of the following item on the agenda the Committee is RECOMMENDED to 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 appendices to the report 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 appendices are shown below.

(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	Exemption Para No.*
11.Procurement Management Information (Exempt Appendices 4 and 5 only)	3

***3. Information relating to the financial or business affairs of any particular person (including the authority holding that**

information).

11 Procurement Management (information) report (Pages 435 - 468)

The purpose of this information only report is to provide evidence to allow the committee to evaluate the extent that Portsmouth City Council is achieving value for money in its contracts for goods, services and works.

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.

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Agenda Item 3

GOVERNANCE & AUDIT & STANDARDS COMMITTEE

MINUTES OF THE MEETING of the Governance & Audit & Standards Committee held on Friday, 1 February 2019 at 10.30 am in The Executive Meeting Room - Third Floor, The Guildhall

(NB These minutes should be read in conjunction with the agenda for the meeting which can be found at www.portsmouth.gov.uk.)

Present

Councillor Leo Madden (in the chair)

Councillor John Ferrett
Councillor Ian Lyon
Councillor Neill Young

Officers

Michael Lawther Deputy Chief Executive, City Solicitor and Monitoring Officer
Julian Pike, Deputy Head of Finance & Deputy S151 Officer
Michael Lloyd, Directorate Finance Manager
Jon Bell, Director of HR Legal and Performance
Elizabeth Goodwin, Chief Internal Auditor
Paul Somerset, Deputy Chief Internal Auditor
Greg Povey, Assistant Director of Contracts, Procurement and Commercial Finance & IT
David Moorman, Senior Procurement Professional
Helen Magri, Corporate Information Governance Officer
Gina Perryman, Access & Equality Advisor

External Auditor

Helen Thompson, Associate Partner, Ernst & Young
David White, Manager, Assurance - Government and Public Sector, EY.

1. Apologies for Absence (AI 1)

The Chair welcomed everyone to the meeting and read out the evacuation procedure. He advised that he intended to vary the order of items on the agenda. For ease of reference, the minutes will be kept in the original order.

Apologies for absence were received on behalf of Councillor Hugh Mason and Councillor Simon Boshier. Councillor Neil Young apologised that he would have to leave the meeting at around 12.30pm.

2. Declarations of Members' Interests (AI 2)

There were no declarations of members' interests.

3. Minutes from the meeting held on 2 November 2018 (including update on actions arising) (AI 3)

Updates from the minutes of the last meeting.

With regard to the quarterly performance management report, members noted that the report that had gone to the briefing was different from that which was sent out for the main meeting. A request was made that in future the report should be divided into sections A,B,C etc with the pages in each section so that it was easy to see where changes had occurred.

In relation to the updates, the City Solicitor advised that Members had been sent a consolidated briefing note concerning the queries outlined in the minutes and the information would be appended.

- With regard to the IT network it was confirmed by Greg Povey that this had been dealt with and could be found in the consolidated responses. He would be happy to meet with any Member to discuss the matter further if that would be helpful.
- In response to a request for more detail on the occupational therapy query, the City Solicitor said that Andy Biddle would be able to provide that information and had attended the briefing meeting to answer members' queries. He has offered to meet with any member to discuss this matter further.
- With regard to MMD, it was agreed that a date would be agreed with Councillor Lyon to meet with those who could provide the relevant information. The other members would be told about the date in case they also wished to attend.
- With regard to ORACLE, Councillor Lyon would be invited to the next meeting of the relevant Board. Once a convenient date had been agreed, the Chair asked that all members of the committee be notified in case any of them also wished to attend.
- Minute 68 - With regard to the RAG (Red Amber Green) ratings, Members again asked that Directors should not decide on these ratings unilaterally. In addition, Members requested that the previous RAG rating should also be included in the report.
- Minute 71 - It was confirmed that the briefing note covered the query relating to the SHIFT Awards.

- Minute 72 - In response to a query about why MMD had not been complying with the Gifts and Hospitality protocol, the City Solicitor advised that at the time when the protocol was set up, MMD was not owned by PCC. However MMD was now being brought into line with PCC.
- Min 75 - With regard to the Procurement report, it was agreed that as much of the report as possible would be made open going forward.
- Min 76 - In response to a comment that there had been many waivers on the grounds that the tender did not result in 3 bids, a Member suggested that perhaps PCC should be targeting small and medium firms as this might produce a better response. Mr Povey said that the process was reviewed thoroughly and often and he was happy to meet with Councillor Lyon to go through the process in detail..
- It was confirmed that the query relating to Knights Brown Construction had been covered in the consolidated briefing notes.

RESOLVED that the minutes of the meeting held on 2 November 2018 be confirmed and signed by the Chair as a correct record.

4. 2018/19 Audit Planning Report (AI 4)

(TAKE IN "INFORMATION ONLY" REPORT)

Helen Thompson, Associate Partner, Ernst & Young, introduced the report and said that as it is long and detailed she proposed to focus on the overview of the strategy on page 25. She advised that the risks identified are broadly similar to those last year.

The first significant risk is an overarching risk, the risk of management override which is required to be addressed on all audits under international auditing standards - there is always going to be a way of circumventing procedures and management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that would otherwise appear to be operating effectively.

The second significant risk is the risk of fraud in revenue and expenditure recognition, through inappropriate capitalisation of revenue expenditure.

Valuation of Land and Buildings and Investment Property, PFI Accounting and Pension Liability are all areas where attention is focused as there is a significant element of management estimation or judgment to get to the values included in the financial statements.

With regard to the Minimum Revenue Provision (MRP) this is a charge to the General Fund and is a complex calculation that will be reported back in the Audit Results report.

Ms Thompson advised that the final area of focus is in relation to two new accounting standards which had been introduced - IFRS 9 and IFRS 15. The audit team will need to review and evaluate the Council's assessment of the impact of these new standards on the Council's accounts. The impact is expected to be limited for local government bodies.

With regard to page 36, which covers the Value for Money conclusion, the External Auditor's risk assessment has considered both the potential financial impact of the issues they have identified, and also the likelihood that the issue will be of interest to local taxpayers, the Government and other stakeholders. This has resulted in the identification of no significant risks at the planning stage of their audit, but they will keep this assessment under review and update the Governance & Audit & Standards Committee as soon as possible if risks are identified during the remainder of their audit.

Ms Thompson further advised that the timing of the year-end audit is under review.

In response to questions

- With regard to the risk of fraud through inappropriate capitalisation of revenue expenditure, the external auditors said that in the majority of cases it would be clear but after first speaking to officers, the external auditors would use their own judgment with supporting evidence. Where capital spend was involved, there would be an expectation that there would be an asset to which the spend was clearly attributable.
- With regard to MRP, officers confirmed that the aim is to align the MRP to the life of the asset - 50 years being the maximum - in line with government guidance. There is no direct link between assets and loans.
- It was confirmed that IFRS16 that covers leases has been deferred to at least 20/21 and Officers stated that this does not therefore affect the accounting for PCC's loan of cranes to MMD in the current year.
- It was confirmed that officers' assessment is that MMD is not quantitatively nor qualitatively significant enough to require the preparation of group accounts. Officers in PCC make that decision and external audit review it. If there was a failure to agree, then ultimately this could result in External Audit issuing a qualified audit opinion.
- With regard to the pension fund deficit referred to on page 33, the External Auditors advised that the majority of local authority schemes are in deficit to some degree. However, most funds have improved and there are mechanisms in place to return the schemes to a fully funded position. Also the debt would not crystallize until there were no

more members in the fund. Contribution rates are reviewed every three years.

- With regard to BREXIT , External Audit is interested to check that consideration is being given in the council's medium term financial planning to various options depending on various outcomes such as the amount of external borrowing, how long this is fixed for etc.

Jon Bell reassured members that a great deal of planning is going on in relation to BREXIT such as through the local resilience forum.

The 2018/19 Audit Planning report was noted.

5. Audit Performance Status Report to 9 January 2019 (AI 5)

(TAKE IN REPORT)

The Deputy Chief Internal Auditor introduced the report. Key points of note include that the audit is 72% complete or in progress.

He drew the Committee's attention to paragraph 5.4 of the report that contains a schedule of when the planned reviews at Mainland Market Deliveries (MMD) would be carried out and the results communicated.

Paragraph 5.5 lists the amendments to the Audit Plan and paragraph 5.9 details the categories of exceptions raised to date.

Paragraph 6.1 refers to Appendix B which covers no assurance audits and follow ups and provides some more details re MMD, Procurement and IT and disposal.

During discussion

- It was confirmed that Financial Rules waivers listed in paragraph 5.10 are not detailed to the Committee as the Committee is placing reliance on its in- house professionals to investigate and assess the risks and reasons why the prescribed route is not used on any particular occasion. Internal Audit will be involved and it would then go to Mr Julian Pike or Mr Chris Ward. Mr Julian Pike confirmed that waivers are very few and far between. Usually there is an alternative way of complying with the Financial rules in any particular instance.
- With regard to the reference on page 70 concerning the investigation of numerous allegations of bribery, the Chief Internal Auditor said that historically there had been a flurry of allegations. However for at least the last 3 years, perhaps longer, there had been no whistleblowing in this area. The reason the matter has been mentioned in this appendix is that the information was recently included in a report that went to MMD directors to make them aware historically of some issues and their vulnerability in not having a transparent process. The Chief Internal Auditor said she would be mindful in future of what is included in these reports.
- With regard to the statement contained in Appendix B under "Procurement Framework" that there is a "requirement to seek comparative quotes for procurements over £30k", it was confirmed that this financial level was set by the Board. One Member commented that the figure seemed high and asked whether it could be revisited.

- With regard to the narrative on page 76 about the possibility of having security etchings added to high value items being deemed too expensive at £6 per item, it was confirmed that this was because etching affected the income that could be derived from selling items on. Without security etching this could raise £60k. Only one laptop had been lost amounting to a £600 loss. Therefore it was much more cost effective not to add security etchings. Members said that this explanation should have been added to the narrative.

As a general matter, the Chief Internal Auditor said that it was not the role of Internal Audit to make recommendations to services as a result of audit findings. The rationale is that services are the experts in their area and have a greater understanding about how best to deal with issues that have been identified than Internal Audit. Also a service would be more likely to act on a plan they have devised themselves rather than something imposed on them. Therefore Internal Audit tend to leave the services to determine the way forward. If the matter continued to be of concern, then Internal Audit could escalate the matter to External Audit and possibly also to this committee. Internal Audit has no power to compel services to do anything. Similarly, Internal Audit will not confirm to services that they condone any particular way of dealing with an issue.

RESOLVED

(1) That Members noted the Audit Performance for 2018/19 to 9 January 2019.

(2) That Members noted the highlighted areas of control weakness from the 2018/19 Audit Plan.

6. Treasury Management Monitoring Report for the Third Quarter of 2018/19 (AI 6)

(TAKE IN REPORT)

Michael Lloyd, Finance Manager, introduced the report which informs members and the wider community of the Council's Treasury Management position, ie. its borrowing and cash investments at 31 December 2018 and of the risks attached to that position. The report provides assurance that there have been no breaches to the Treasury Management Policy and have operated within the treasury management indicators agreed by the Council . Mr Lloyd advised that the report had been expanded to try to answer some issues raised at the last city council meeting. He reported that there had been no new borrowing this financial year and that as at 31 December 2018 £384m invested at an average rate of 1.11% (Table A5)

In response to questions, it was confirmed that

- The position with regard to Building Societies mentioned on page 88 is that the larger societies tend to be rated and the smaller ones tend to be unrated. Usually unrated building societies are more conservatively managed than the rated societies. Before PCC invests in unrated societies PCC looks at the available data. There are smaller investment limits for unrated societies. Credit rating agencies

monitor rated societies. Generally, there is a better rate of return from unrated societies.

- With regard to a query on the property investment portfolio (page 90), it was confirmed that if there were to be a fall in property prices of 35%, PCC would have to set aside additional funds to repay the debt as it would have to be paid out of revenue. In terms of revenue, PCC would only suffer significant loss if the tenant went out of business and another tenant could not be found.
- reference to "other" on page 89 refers principally to money set aside to repay debt under the Minimum Revenue Provision (MRP) Policy. This amount will not necessarily increase next year as making MRP increases it, but paying principal reduces it.
- Section A3 includes tables showing the Council's overall interest on borrowing including average interest rates. As at 31 December 2018, this shows borrowings amounted to £554m plus £1m through finance leases and £65m through private finance initiative schemes.

Various comments on the format of the report were made including

- On page 83 perhaps the first graph could be denoted "A" and then the graphs lettered consecutively for reference purposes. Members asked that the average interest rate in each of the columns in Table "B" should be included in future
- It would be useful to the Committee to know how much loans are costing PCC.
- Tables B and C do not say what percentage of borrowing is fixed and what percentage is variable and this would be useful going forward.
- It would be useful to include an explanation in future to make clear what "other" refers to (page 89).

Mr Lloyd said that this is a complex area and the report tries to give the Committee the information it wants in an accessible form. It tries to strike the right balance in terms of the information provided.

RESOLVED

(1) That it be noted that there have been no breaches of the Treasury Management Policy 2018/19 in the period up to 31 December 2018

(2) That the actual Treasury Management indicators as at 31 December 2018 set out in Appendix A be noted

7. Performance Management update - Q2, 2018-19 (AI 7)

(TAKE IN REPORT)

Jon Bell, Director of Legal HR and Performance, introduced the report as Kelly Nash had sent her apologies as she had to attend another council meeting. He advised that the report follows the usual format and that the key themes covered in the report are set out in paragraphs 3.5 to 3.8. Where possible he would be happy to answer members' questions today, but otherwise he would arrange for written answers to be circulated after the meeting.

Jon Bell drew members' attention to the proposal set out in section 4 of the report to streamline it and focus more on providing information within the remit of this committee. He said this would give balance and focus to the information being presented. It was proposed that the report format would be unchanged for the next meeting, but that the new format would be introduced with effect from the new municipal year.

The Chair agreed that it would be beneficial to have a streamlined report and that the new Governance & Audit & Standards Committee members could consider the revised format at the first meeting of the new municipal year.

Members commented

- That the amount of information in this report has increased dramatically from some years ago when sometimes there was one line from one directorate
- That part of the thinking behind expanding the information included in the report was to provide opposition spokespersons with information to enable them to raise pertinent questions at portfolio meetings
- That from the perspective of members of the public it may well be useful to have this information, but from the committee's point of view the amount of information is overwhelming.
- That they were in support of a new format and it would then be up to committee members to request additional information should they consider it necessary.

Jon Bell said that there used to be strict requirements to publish performance data and although this could still be done, he would not wish to record data merely to publish it. If members wanted particular data to be published then that could be arranged.

The Chair commented that the summary appendices were very good but that acronyms should be removed.

During discussion

- A suggestion was made that the Risk Register could become the first appendix as it provided a good overview. Perhaps a scoring system for items on the register would be helpful to determine areas of focus - such as - high risk 3, medium risk 2 and low risk 1. Then anything with a score of 6 or more should be looked at.
- Members asked that the previous RAG (red amber green) rating should be included in future to show the trend
- Members queried whether the RAG rating was always appropriate as there were occasions where the information recorded covered areas where the city council has no control.
- Members expressed concern about some of the RAG ratings given - such as on page 109 where although only one of the three age ranges

met the target, the rating for all three was given as amber rather than being given different ratings.

With regard to the RAG ratings being determined by the directors themselves, Jon Bell confirmed that there are processes in place to provide a degree of challenge - such as by Kelly Nash and through the Corporate Governance Board.

In summary, Jon Bell said that the proposal is for the revised report format to focus more on how the council is performing against its key priorities and this is the intention going forward. It was agreed that at the next meeting, as well as the usual report, a sample or template of the proposed new report format would also be provided.

RESOLVED that the Committee

(1) Noted the report

(2) Noted the continued improvement in quality of reports from directorates;

(3) Agreed if any further action is required in response to performance issues highlighted

(4) Noted that reports for 2019/2020 will be provided in a streamlined format, as set out in section 4 of the report.

8. Data Security Breach Report (AI 8)

(TAKE IN REPORT)

Helen Magri introduced the report which provided an overview of breaches that have occurred. She advised that there had been no new responses from the Information Commissioner's Office (ICO) since the last report and that it seems to be taking around six months to receive a response from them. She advised that there had been two new reports to the ICO since the last meeting.

During discussion the following matters arose

- None of the reports that had been made by PCC to the ICO in the last few years had required further action.
- There has been a large increase in the volume of reports being made to the ICO by councils following government guidance. There is a requirement to report breaches within 72 hours (or risk fines being imposed) which often means there is not enough time to fully investigate the incident before the report is made which could turn out to be unnecessary.
- Following feedback from other authorities, it seems likely that the ICO is being inundated by reports which is slowing down the process.
- The ICO have also advised that there is no need to report minor breaches.

RESOLVED that Members of the Governance & Audit & Standards Committee note the breaches (by reference to Appendix A) that have arisen and the action determined by the Corporate Information Governance Panel (CIGP).

9. General Data Protection Regulation Programme Report (AI 9)

(TAKE IN REPORT which is for information only)

Helen Magri introduced the report which provided details of the work already undertaken and ongoing to ensure the Council's compliance with the General Data Protection Regulations and Data Protection Act 2018.

Section 3 of the report sets out all the actions underway to ensure compliance. However, there is still much to be done for example in terms of looking at all the Council's contracts and considering implications following BREXIT.

RESOLVED that Members of the Governance & Audit & Standards Committee noted the actions taken.

10. Report on complaints received into alleged breaches of the Code of Conduct by Members of the Council for the calendar year 2018 (AI 10)

(TAKE IN REPORT)

The City Solicitor introduced the report which shows the number of complaints received against members for 2018. He advised that the number of complaints continued to be low. He said that the process was working well and that he was not proposing to make any changes.

In response to a query, the City Solicitor advised that on each occasion the complainant received a copy of the Decision Notice so would be aware of the result. This would be followed up to see whether or not the Decision Notice had been complied with. The City Solicitor advised that there are limited sanctions available in the event that the Member does not comply with the Decision Notice.

It was agreed that in future the appendix would refer to the "Subject Member" rather than the gender of the Member concerned.

RESOLVED that Members of the Committee

(1) Noted the report

(2) Considered whether any further action is required by them.

11. Whistleblowing Report (AI 11)

(TAKE IN REPORT)

The City Solicitor introduced the report which provided information about the number of whistleblowing incidents. The policy is publicised and refreshed throughout the year and is open to staff and PCC contractors to use.

The Whistleblowing Panel is made up of Michael Lawther, Jon Bell, Chris Ward or his deputy and the Chief Internal Auditor or her deputy.

4 of the matters raised have been concluded and one is continuing. The matters are normally looked at by Internal Audit but are sometimes referred for management investigation.

In response to a query about whether there were any additional incidents that had been raised but where it had been decided there was no further action, the City Solicitor said there had not been any. Incidents were only considered under this policy which would raise public concern about the Council's processes. Sometimes matters were raised under the Whistleblowing policy that should not have been so would be re directed appropriately.

It was confirmed that the identity of the whistleblower was not revealed. There had not been any occasion where the identity of the whistleblower had been revealed even where the incident had been referred elsewhere but this would need to be considered on a case by case basis. If it became necessary to reveal the name of the whistleblower in order to progress the investigation, this could not happen without their consent so the process may stall.

It was confirmed that there is a filtering process to decide what is and what is not an incident that should be dealt with under the Whistleblowing Policy.

The Chair asked that in future every whistleblowing case should be included and this was agreed.

RESOLVED that the Committee

(1) Noted the report

(2) Considered whether any further action is required by them.

12. Constitution Part 4D - Protocol for Member / Officer relations (AI 12)

(TAKE IN REPORT)

The City Solicitor introduced the report advising that the Group Leaders had a concern that officers are on occasions perhaps not always as helpful as they could be to all members. Changes to the protocol would make it clear that council officers work for all elected members and should be providing equal support to them and should extend that support (when in relation to PCC matters) to elected Members of Parliament. That is what he had tried to achieve on page 365.

During discussion some changes to the wording were suggested and agreed

Para 6.6.4

Delete the word "may" in the second line and replace with the word "should"

Para 6.6.2

Delete the words at the start of this paragraph from "unless" to "authorised" inclusive and replace with -

The Chief Executive reserves the right to preclude officers from attending political group meetings, that includes persons who are not members. However where the Chief Executive has not precluded

Para 6.6.6

After the words "Member thereof" insert the words "without the express consent of those political group members who confided in the officer during their discussions".

RESOLVED that Members

(1) Considered the proposed amendments as set out in the appendix: Paragraph 6: 'Officers and party political groups'.

(2)

(a) Recommended adoption by Full Council on 12 February 2019 to approve the proposed changes shown as track changes in the Appendix; and

(b) Agreed that if approved by Full Council, the City Solicitor may make the proposed amendments to the Protocol for Member / Officer relations in Part 4D of the Constitution.

13. Delegated Authority to City Solicitor to settle claims (AI 13)

(TAKE IN REPORT)

The City Solicitor introduced the report. The present limit to the delegated authority granted to the City Solicitor to settle claims on behalf of the Council is £50,000. There has been a recent increase in the insurance excess limit from £50,000 to £75,000 making it prudent to increase the City Solicitor's authority to settle claims in line with this increase. There had been recent occasion to seek specific authority under Standing Order 58 due to the current limit on the City Solicitor's delegated authority. Revising the limit to the delegated authority will avoid the need to invoke Standing Order 58 and therefore assist with the smooth running of the Council.

The City Solicitor confirmed that this was not being requested in connection with any particular claim.

A Member commented that he had not seen a schedule of claims settled being brought to this Committee. The City Solicitor said he would be happy to provide that.

RESOLVED that Members

(1) Considered the proposed amendments set out in the report

(2)

(a) Recommended adoption by Full Council on 12 February 2019 to approve the proposed increase to the delegated authority granted to the City Solicitor to £75,000 to settle claims on behalf of the Council; and

(b) Agreed that if approved by Full Council, the City Solicitor may make the appropriate amendments to the Delegation to Directors in the Constitution.

14. Update on Equality impact assessment monitoring (AI 14)

(TAKE IN "INFORMATION ONLY" REPORT)

The Access and Equalities Advisor, Gina Perryman, introduced the report that was for information only. She advised that the council makes use of its Equality Impact Assessment process to identify any potential equality issues and any measures that can be used to eliminate or mitigate any disproportionately negative impact. EIAs are used to provide a mechanism for members to question prior to a decision being made.

The council has a well-established Equality Impact Assessment (EIA) process which contributes to the Equality Duty as set out in paragraph 3 of the report. Where required committee reports have a completed EIA attached before they go forward for decision and since changing the process in 2016 there are now no omissions of EIAs.

EIAs form only one of the mechanisms that assist the Council in meeting its responsibilities under the public sector equality duty and they are not a legal requirement in themselves.

EIAs that were not part of a committee report (such as those connected with a project) will be published on the council's website on a year rolling programme.

Appendix 1 provides a list of EIAs completed in 2018.

The Committee noted the update on the Equality Impact Assessments undertaken in 2018.

15. Date of Next Meeting (AI 15)

The date of the next meeting was confirmed as being Friday 8 March 2019.

The meeting concluded at 1.20 pm.

.....
Councillor Leo Madden
Chair

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Certification of claims and returns annual report 2017-18

Portsmouth City Council

February 2019

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Agenda Item 4

The EY logo consists of the letters 'EY' in a bold, white, sans-serif font. A yellow triangle is positioned above the 'Y', pointing downwards towards the top right corner of the logo.

Building a better
working world



Members of the Governance & Audit & Standards Committee
Portsmouth City Council
Civic Offices
Guildhall Square
Portsmouth
PO1 2BG

4 February 2019

Dear Governance & Audit & Standards Committee Members

We are pleased to report on our certification and other assurance work. This report summarises the results of our work on Portsmouth City Council's 2017-18 claims.

Scope of work

Local authorities claim large sums of public money in grants and subsidies from central government and other grant-paying bodies and must complete returns providing financial information to government departments. In some cases these grant-paying bodies and government departments require appropriately qualified reporting accountants to certify the claims and returns submitted to them.

From 1 April 2015, the duty to make arrangements for the certification of relevant claims and returns and to prescribe scales of fees for this work was delegated to the Public Sector Audit Appointments Ltd (PSAA) by the Secretary of State for Communities and Local Government. For 2017-18, these arrangements required only the certification of the housing benefits subsidy claim. In certifying this we followed a methodology determined by the Department for Work and Pensions.

This report is intended solely for the information and use of the Governance & Audit & Standards Committee and management, and is not intended to be and should not be used by anyone other than these specified parties.

We welcome the opportunity to discuss this report with you at the Governance & Audit & Standards Committee meeting on 08 March 2019.

Yours faithfully

Helen Thompson
Associate Partner
For and on behalf of Ernst & Young LLP

Contents

01 Housing benefits
subsidy claim



02 2017-18
certification fees



This report is made solely to the Governance & Audit & Standards Committee and management of Portsmouth City Council. Our work has been undertaken so that we might state to the Governance & Audit & Standards Committee and management of Portsmouth City Council those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the Governance & Audit & Standards Committee and management of Portsmouth City Council for this report or for the opinions we have formed. It should not be provided to any third-party without our prior written consent.



01

Housing benefits subsidy claim



Housing benefits subsidy claim

Scope of work	Results
Value of claim presented for certification	£102,434,587
Amended/Not amended	Amended – subsidy increased by £43,565 (final certified value £102,478,152)
Qualification letter	Yes
Fee – 2017-18	£21,613
Fee – 2016-17	£17,196

Local Government administers the Government's housing benefits scheme for tenants and can claim subsidies from the Department for Work and Pensions (DWP) towards the cost of benefits paid.

The certification guidance requires reporting accountants to follow a programme of work specified by DWP. Detailed case testing is carried out on an initial sample of 20 cases per benefit type. More extensive '40+' or extended testing is undertaken if initial testing identifies errors in the calculation of benefit or compilation of the claim. 40+ testing may also be carried out as a result of errors that have been identified in the certification of previous years claims.

We found errors and carried out extended testing in a small number of areas.

Extended and other testing identified errors which the Council amended. They had a net impact, as noted above, of increasing subsidy claimed by £43,565.

We have reported underpayments, uncertainties and the extrapolated value of other errors in a qualification letter. The DWP then decides whether to ask the Council to carry out further work to quantify the error or to claw back the benefit subsidy paid. We include in this report a summary of the main issues we reported in our qualification letter, or which led to agreed amendments to the final subsidy claim, as follows:

Cross-cutting issue: Debt recovery software system error

- ▶ During the course of the certification, we became aware of a system issue affecting the debt recovery module of Northgate, leading to double-counting of prior year overpayments, which had already been recorded in previous years' subsidy claims.
- ▶ Officers reviewed the entries in prior year overpayment cells in the 2017/18 subsidy claim and confirmed that this issue was present at Portsmouth City Council.
- ▶ The entire population of affected cases was identified, and the full value of the incorrect cell entries quantified.
- ▶ We undertook testing to verify these values, and agreed an amendment to the final subsidy claim, which increased total subsidy by £43,520.

Housing benefits subsidy claim (continued)

Non Housing Revenue Account Rent Rebates: Incorrect Classification of Benefit

- ▶ Initial testing identified one error whereby the Council had incorrectly classified benefit paid, as a result of pro-rating the maximum weekly amount applicable to bed and breakfast claims in error. The result was to classify benefit with a value of £30 in a cell attracting nil subsidy, which should have been classified in a cell attracting 100% subsidy. Benefit paid to the claimant was correct.
- ▶ The nature of the error was such that it could only ever lead to under-claim of subsidy by the Council, and as such no further testing was judged necessary. This judgment was agreed with officers.
- ▶ The under-claim identified was reported as an observation in our qualification letter.

Housing Revenue Account Rent Rebates: Incorrect Pension Income

- ▶ Extended testing was undertaken on a sample of 40 cases to check for correct calculation of pension income, as a result of errors identified in the prior year. No errors of this type were identified in our initial testing in 2017/18.
- ▶ Our extended testing identified one case where pension income had been incorrectly calculated, but this had no impact on benefit paid or subsidy claimed, as the claimant's total income remained below the allowable threshold for maximum benefit.
- ▶ The identified error in pension income was reported as an observation in our qualification letter.

Housing Revenue Account Rent Rebates: Incorrect Classification of Overpayments

- ▶ Extended testing was undertaken on a sample of 40 cases classified as Local Authority Error/Administrative Delay overpayments, to check for correct classification, as a result of errors identified in the prior year. No errors of this type were identified in our initial testing in 2017/18.
- ▶ Our extended testing identified four cases where overpayments with a total value of £940 had been misclassified and should have been recorded as Eligible (claimant) Error overpayments.
- ▶ The extrapolated impact of the classification errors was £6,497, resulting in overstatement of the Local Authority Error/Administrative Delay cell and understatement of the Eligible Error cell. This was reported in our qualification letter.

Rent Allowances: Incorrect Self-Employed Earnings

- ▶ Extended testing was undertaken on a sample of 40 cases to check for correct calculation of self-employed earnings, as a result of errors identified in the prior year. No errors of this type were identified in our initial testing in 2017/18.
- ▶ Our extended testing identified one case where self-employed earnings had been incorrectly calculated, resulting in an overpayment of benefit of £430.
- ▶ The extrapolated impact of the overpayment error results in overpayment of subsidy of £92,283. This was reported in our qualification letter.

Housing benefits subsidy claim (continued)

Modified Schemes: Incorrect Disregards

- ▶ Our testing identified one error whereby the Council had not disregarded the Attendance Allowance element of the claimant's war pension prior to applying the local war pension disregard, as required. The result was to classify benefit with a value of £179 under the modified scheme, rather than as standard benefit.
- ▶ As the total population of modified scheme claims was fewer than 100, extended testing was undertaken on the full population. No further errors were identified.
- ▶ An agreed amendment was made to the final subsidy claim, which increased total subsidy by £45.



02

2017-18 certification fees





2017-18 certification fees

The PSAA determine a scale fee each year for the certification of the housing benefits subsidy claim. For 2017-18, these scale fees were published by the PSAA and are available on their website (www.psaa.co.uk).

Claim or return	2017-18	2017-18	2016-17
	Actual fee £	Indicative fee £	Actual fee £
Housing benefits subsidy claim	£21,613	£17,797	£17,196

The indicative scale fee for 2017/18 of £17,797 is based on the final fee charged in 2015/16.

Our final fee for 2017/18 is £21,613, an increase of £3,816, arising from a comparison of the total quantum of work undertaken in 2017/18 compared with 2015/16. In 2015/16, no extended testing was undertaken. In 2017/18, a total of six lots of extended testing were undertaken, either as a result of errors identified in the year, or as a result of prior year errors which the methodology required to be followed up in 2017/18. All other aspects of the work remained the same between the two years. The additional fee is based on the additional auditor hours required in respect of the extended testing, and hourly rates which are stipulated by PSAA.

We have discussed and agreed the overall fee increase with the Director of Finance and Information Technology. The final fee is subject to agreement by Public Sector Auditor Appointments Ltd.

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ED None

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Agenda Item 5



Portsmouth
CITY COUNCIL

Title of meeting:	Governance & Audit & Standards Committee
Date of meeting:	8 th March 2019
Subject:	Audit Performance Status Report to 22 nd February 2019
Report by:	Chief Internal Auditor
Wards affected:	All
Key decision:	No
Full Council decision:	No

1. Summary

- 1.1 This is a progress report for the 2018-19 planned audit activities. To date there are two 'No Assurance' audits and no critical risks exceptions raised.
- 1.2 There are 65 Full Audits and 24 Follow ups, in the revised planned for 2018/19, totalling 89 reviews.
- 1.3 To date, 81 (91%) have been completed or are in progress as at 22nd February 2019. This represents 61 (69%) audits where the report has been finalised 2 (2%) where the report is in draft and 18 (20%) audits currently in progress.
- 1.4 In addition to the planned audits there are 11 areas of on-going work and 2 continuous audits which contribute to risk assurance.
- 1.5 Areas of Assurance are shown in Appendix A. No Assurance audits are shown in Appendix B.

2. Purpose of report

- 2.1 This report is to update the Governance and Audit and Standards Committee on the Internal Audit Performance for 2018/19 to 22nd February 2019 against the Annual Audit Plan, highlight areas of concern and areas where assurance can be given on the internal control framework
- 2.2 The 2019/20 Audit Plan has also been drafted and presented for approval which is attached as Appendix C.

3. Recommendations

- 3.1 That Members note the Audit Performance for 2018/19 to 22nd February 2019.

3.2 That Members note the highlighted areas of control weakness from the 2018/19 Audit Plan.

3.3 That Members endorse the Audit Plan for 2019/20.

4. Background

4.1 The Annual Audit Plan for 2018/19 has been drawn up in accordance with the agreed Audit Strategy approved by this Committee on 8th June 2018 following consultation with Directors and the previous Chair of this Committee. The Plan is revised quarterly to take account of any changes in risks/ priorities, in accordance with the Strategy.

4.2 For 2018/19 Internal Audit will have conduct 1011 days of audit work for external clients.

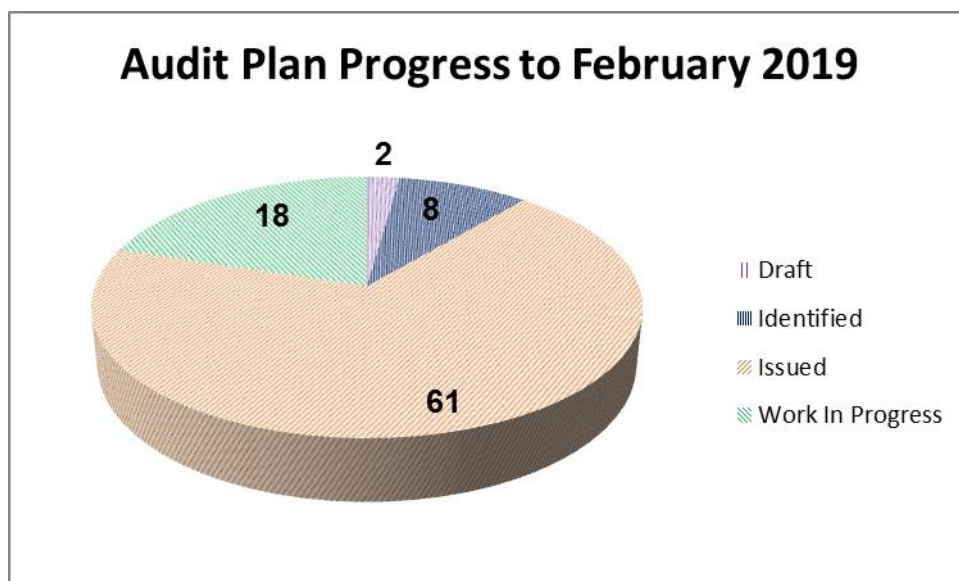
5. Audit Plan Status 2018/19

Percentage of the approved plan completed

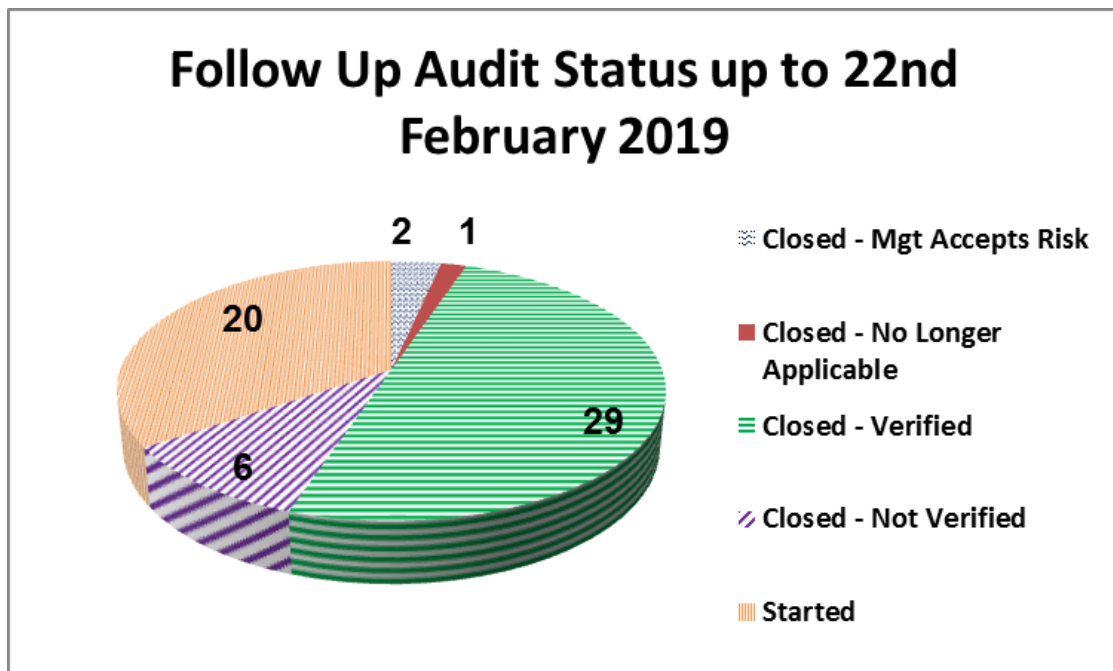
5.1 69% of the annual audit plan has been completed as detailed below. Appendix A shows the completed audits for 2018/19.

The overall percentage figure is made up as follows:

- 61 (69%) audits where the report has been finalised 2 (2%) where the report is in draft, 18 (20%) audits currently in progress and 8 (9%) yet to commence.



5.2 As requested by Members of the Committee a breakdown of the assurance levels on completed audits since the last meeting is contained in Appendix A. Where specific parts of the control framework have not been tested on an area (because it has been assessed as low risk for example) it is recorded as NAT (No Areas Tested) within the Appendix. The table below shows the status of agreed actions relating to follow up work completed.



5.3 Directorate Codes:

- DCLR - Director of Culture, Leisure & Regulatory Services
- DCC - Director of Communities & Communications
- DHNBS - Director of Housing, Neighbourhood & Building Services
- DPIP - Director of Portsmouth International Port
- MMD - Mainland Market Deliveries
- DFIS - Director of Finance & Information Services
- DHRLP - Director of HR, Legal and Performance

Audits	Closed - Mgt Accepts Risk	Closed - No Longer Applicable	Closed - Verified	Closed - Not Verified	Started	Grand Total
Marketing and Tourism - DCLR		1	2			3
Merchandise, Stock, Retail - DCLR			1		1	2
City Helpdesk - DCC	1				1	2
Parking space & Garage Management - DHNBS			1		4	5

Grounds Maintenance Contract - DHNBS			3			3
Youth Centres/ Community Centres - DHNBS			8		1	9
Income Dues Brittany - DPIP			1			1
MMD Recruitment - MMD			2			2
Cash Collection - DCC			2		1	3
Data Sweeps - DCC			1			1
IT Procurement, inventory & disposal - DFIS			2		5	7
Email and Internet Security - DFIS			1	1		2
Social Media (Community and Marketing) - DCC	1		2	3		6
Disaster Recovery/ Business Continuity - DFIS					1	1
Sheltered Housing - DHNBS			2	2		4
Maintenance Repair - DHNBS					2	2
Strategic Project Management - DHRLP					2	2
MMD Procurement - MMD					2	2
Ship Services - DPIP			1			1
Grand Total	2	1	29	6	20	58

- 5.4 At the last committee meeting the members requested a schedule of when the planned reviews at Mainland Market Deliveries (MMD) would be carried out and the results communicated. Below is the list of MMD audits, their audit type, status and expected reporting timeframe.

Audit	Audit Type	Status	Expected Reporting
Recruitment	Follow Up	Issued	Nov-18
Procurement	Follow Up	Issued	Feb-19
Payroll	Full Audit	Issued	Feb-19
Gifts and Hospitality	Full Audit	Issued	Feb-19
Health and Safety	Full Audit	Fieldwork	Next Reporting Cycle
GDPR	Full Audit	Fieldwork	Next Reporting Cycle
Budget Monitoring	Full Audit	Planning	Next Reporting Cycle

Amendments to the 2018/19 audit plan.

- 5.5 Since the plan was approved there have been the following changes:

- Ship Services follow up has been added to the 2018/19 Audit Plan as there was high risk exceptions raised.
- SCALA (Port Accounting System) has been removed as the intended scope has been covered within the Port Accounts Payable and Accounts Receivable Audit.
- Mental Health has been removed to the 2019/20 audit plan due to long term sickness absence.
- EHCP (Education and Health Care Plan) 19-25 years old has been removed to the 2019/20 audit plan due to long term sickness absence.
- Domiciliary Care follow up has been removed to the 2019/20 audit plan due to the last implementation date being post April 2019.

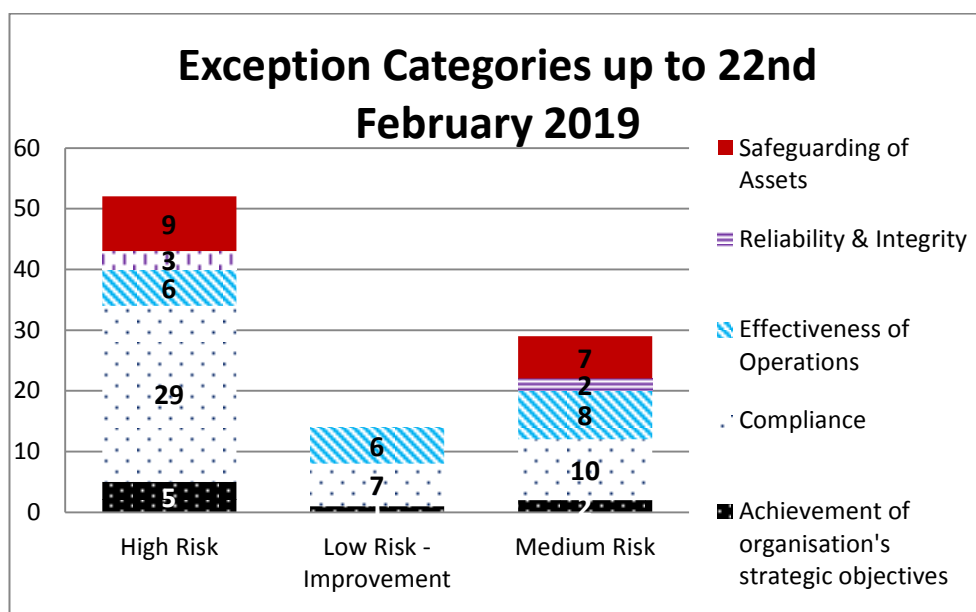
Reactive Work

- 5.6 Reactive Work undertaken by Internal Audit in 2018/19 includes:
- 14 special investigations (excludes Benefit and Council Tax Support cases)
 - 8 items of advice, (where the advice exceeds an hours work)

Exceptions

- 5.7 Of the 2018/19 full audits completed the number of exceptions within each category have been:
- 0 Critical Risk
 - 52 High Risk
 - 29 Medium Risks
 - 14 Low Risk (Improvements)

- 5.8 The following table details the categories of exceptions raised to date.



Ongoing Areas

- 5.9 The following 11 areas are on-going areas of work carried out by Internal Audit;
- Regulation of Investigatory Powers Act (RIPA) - authorisations
 - Anti-Money Laundering monitoring and reporting
 - Investigations
 - Financial Rules Waivers
 - National Fraud Initiative (NFI) to facilitate national data matching carried out by the Cabinet Office
 - National Anti-Fraud Network (NAFN) bulletins and intelligence follow up
 - Counter Fraud Programme
 - Policy Hub project to ensure that all Council policies are held in one place and staff are notified of the policies relevant to them
 - G&A&S Committee reporting and attendance and Governance,
 - Audit Planning and Consultation
 - Risk Management

Continuous Audit Areas

- 5.10 The following 2 areas are subject to continuous audit (i.e. regular check to controls) and feed into overall assurance;
- Key risks management in services
 - Performance Management

6. Areas of concern

- 6.1 Attached in Appendix B are the areas of 'No Assurance' - Community Centres.

7. Equality impact assessment (EIA)

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

8. Legal Implications

- 8.1 The City Solicitor has considered the report and is satisfied that the recommendations are in accordance with the Council's legal requirements and the Council is fully empowered to make the decisions in this matter.
- 8.2 Where system weaknesses have been identified he is satisfied that the appropriate steps are being taken to have these addressed.

9. Finance Comments

- 9.1 There are no financial implications arising from the recommendations set out in this report.

9.2 The S151 Officer is content that the progress against the Annual Audit Plan and the agreed actions are sufficient to comply with his statutory obligations to ensure that the Authority maintains an adequate and effective system of internal audit of its accounting records and its system of internal control.

.....
Signed by: Elizabeth Goodwin, Chief Internal Auditor

Appendices:

- Appendix A – Completed audits to date (22nd February 2019)
- Appendix B - Areas of concern
- Appendix C - Audit Plan 2019/20

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
1 Accounts and Audit Regulations	http://www.legislation.gov.uk/uksi/2011/817/contents/made
2 Previous Audit Performance Status and other Audit Reports	Refer to Governance and Audit and Standard meetings – reports published online.
3 Public Sector Internal Audit Standards	http://www.cipfa.org/policy-and-guidance/standards/public-sector-internal-audit-standards

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

.....
Signed by:

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APPENDIX A - Audits Completed since last reporting period (22nd February 2019)

Audit Title	Critical Risk	High Risk	Medium Risk	Low Risk - Improvement	Total Exceptions	Achievement of organisation's strategic objectives	Compliance	Safeguarding of Assets	Effectiveness of Operations	Reliability & Integrity	Audit Assurance	Summary	Deadline for last implementation of the agreed actions
Accounts Payable - Director of Finance and Information Services	0	0	3	1	4	NAT	Reasonable Assurance	Reasonable Assurance	Reasonable Assurance	Reasonable Assurance	Reasonable Assurance	The issues raised were in relation to purchase orders being raised after incurring the expenditure which is non-compliant with Financial Rules R9, Ex-employees remaining with Accounts Payable access on EBS, Invoices being paid late and an anomaly on an EBS suppliers report showing the wrong data.	Jun-19
Accounts Receivable - Director of Finance and Information Services	0	0	1	0	1	NAT	Assurance	Reasonable Assurance	Assurance	NAT	Assurance	The issue raised was in relation to Ex-employees remaining with Accounts Receivable access on EBS	Jun-19
Payroll/ Pension - Director of Finance and Information Services	0	3	0	0	3	NAT	Limited Assurance	Limited Assurance	Assurance	Limited Assurance	Limited Assurance	The issues raised were in relation to honoraria payments not fully commensurate with the requirements of the Additonal and Exceptional Duty Policy which is out of date, Apprentices being on the wrong national insurance contribution code for employers and agreed actions within the 2017/2018 Payroll Audit not being complete.	Mar-19
Rents & Charges (Service Heating, Water & Other Charges and Hardship Fund) - Director of Housing, Neighbourhood and Building Services	0	0	3	2	5	NAT	Reasonable Assurance	NAT	Reasonable Assurance	Assurance	Reasonable Assurance	The issues raised were in relation a lack of local authorisation for two rent account write offs, a lack of explanation within the notepads for four rent accounts in significant credit, unexplained discrepancies between the stock and Northgate Housing databases, lack of evidence to demonstrate compliance with the taking notice process and in respect of one arrears account, for which there was not clear communication within the rent account notepads.	Jul-19
Community Centres - Director of Culture, Leisure & Regulatory Services	0	8	0	0	8	NAT	Limited Assurance	NAT	Limited Assurance	NAT	No Assurance	Further details can be found within Appendix B	Sep-19

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CDC - Community Centres Full Audit - (extract from audit report)

Executive Summary

The Authority currently has overall responsibility and ownership of 18 Community Centre buildings across the City.

Five of the Centres fall within the remit of the Housing, Neighbourhood & Building Services Directorate and are managed by Portsmouth City Council. The remaining 13 fall within the remit of the Culture & City Development Directorate and are managed by Community Associations.

All PCC employees and Association staff working and operating at these units are required to be aware of and comply with relevant controls.

For the purposes of this audit, a review of staff understanding and compliance with PCC Financial Rules, Health & Safety Legislation and site specific policies and procedures at all 5 centres managed by PCC was carried out as part of the 2018/2019 Internal Audit Plan. It should be noted that the scope of this review did not include the 13 Centres which fall within the remit of the Culture & City Development Directorate.

The results of testing have been summarised below under the following assurance levels.

Compliance with Policies, Laws and Regulations Assurance Level: Limited Assurance

Financial Rules training:

A Managed Learning Environment / Portsmouth Learning Gateway (MLE/PLG) Report was checked against a list of the names of the Managers and relevant staff at each of the centres to ensure that the level of Financial Rules Training which has been carried out is current and commensurate with their job role.

Testing confirmed that there is evidence that 11/18 (61%) of employees have completed FINANCIAL RULES PART 1 & 2 training within the last 3 years. There is no evidence that the remaining 7 employees have completed the training. In addition the department maintain a monitoring spread sheet detailing the training record for all centre staff. As at 25.01.2019 the training record reflected that 3/18 (17%) of employees had completed both parts of the Financial Rule training.

Appendix B - Areas of concern

Based on testing conducted, one high risk exception has been raised under Financial Rules Training.

Income Handling:

During on-site visits at each of the centres, Managers confirmed that they had read and signed a copy of the PCC ANNEXE B - INCOME HANDLING POLICY. However, discussions established that a copy of the policy is not retained by staff for reference purposes.

In addition, the department maintain a copy of the signed document on the w drive for monitoring purposes. Testing confirmed that there is evidence of signed copies of the INCOME HANDLING POLICY for 9/18 (50%) of staff, an unsigned copy for 1/18 (6%) of staff and no evidence of a signed copy for 8/18 (44%) of staff. It should be noted that staff may have signed a copy of the INCOME HANDLING POLICY but not yet forwarded a copy to the central team for reference purposes.

Based on testing conducted, one high risk exception has been raised under Income Handling.

Income & Banking:

Hire Agreement Documentation

A sample of 10 'lets (2 from each site) was selected for testing purposes. Testing highlighted examples of best practice in relation to the standard of the Agreement forms; however, results confirmed that there are inconsistencies across the 5 Centres in relation to the lack of evidence of completion of the forms and supporting documentation. This includes no evidence of DBS checks, qualifications or Public Liability Insurance for 3 boxing groups at one of the Centres.

In addition, it was noted that, in some instances, equipment is stored at the Centres by the hirer and there is no formal agreement in place to clarify the legal responsibility for the equipment in the event of loss or damage.

Based on testing conducted, one high risk exception has been raised under Hire Agreement Documentation.

Hire Charges

Financial Rules T1 and T2 state that Directors must keep under review any fees, charges and other levies made for goods and services under their control and the fees and charges must be reviewed at least annually.

A review of the Room Hire charges at each Centre was conducted as part of the audit and testing highlighted that there is no evidence that any of the hire charges had been reviewed on an annual basis. In addition, the charges for some hirers did not equate to the published hire charges.

Based on testing conducted, one high risk exception has been raised under Hire Charges.

Leases for trading organisations

A review of the categories of group at each of the Centres has confirmed that there are some users who operate at the Centres on a permanent, long term use basis within a designated space. Testing has highlighted that there is currently no formal agreement in place for these organisations, including evidence of public liability insurance.

It should be noted that 2 of the Centres have recently transferred from Community Association to PCC management and the Directorate is currently working towards the introduction of a lease for these users.

Based on testing conducted, one high risk exception has been raised under Leases.

Income and Banking (general)

The review included a 'walk through' at each unit to ensure there is a robust management trail for the receipt, holding, issue and / or banking of each type of income.

Testing highlighted several instances of non-compliance with Financial Rules S1-S20 which have been discussed with the relevant Manager at each Centre and detailed in the main body of the report.

Based on testing conducted, one high risk exception has been raised under Income and Banking

DBS:

The Disclosure and Barring Service (DBS) provides, where eligible, a background check on convictions. A post is eligible under a specific set of conditions as outlined in the legislation.

The department maintain a record of DBS checks on the w drive for monitoring purposes. Testing confirmed that there is currently evidence that 2/18 (11%) members of staff have a DBS check.

However, testing has also confirmed that discussions are currently being undertaken to determine if all Community Centre staff posts are eligible for a DBS check.

Based on testing conducted, one high risk exception has been raised under DBS testing

Corporate Accident Reporting:

Discussions with Managers during on-site testing confirmed that all staff are aware of the procedures to follow in the event of an accident. Accidents are recorded on official documentation and reported to the Health & Safety Manager. No further review was carried out in relation to accident reporting.

Based on testing conducted, no exceptions were raised under Accident Reporting

Effectiveness & Efficiency of Operations Assurance Level: Limited Assurance

Safety Inspections:

Testing confirmed that 4 of the 5 Centres have a record of daily and weekly safety inspection documents. The weekly inspection records for December 2018 were reviewed during on-site testing and evidence confirmed that the inspections were carried out by an appropriate member of staff at regular intervals.

Discussions with the Managers at each of the 4 Centres confirmed that actions raised from the inspections are documented (either via a spread sheet or note book) and monitored for completion. Discussions with the Manager at the remaining Centre confirmed

Appendix B - Areas of concern

that there is no evidence of regular safety inspections as the task has historically been carried out by the cleaner, who will notify a member of the office team if there are any safety issues.

Based on testing conducted, one high risk exception has been raised under Safety Inspections

Completion of the audit Assurance Level: No Assurance

In summary eight high risk exceptions have been raised as a result of this audit review and a no assurance opinion has been given as a result of testing.

This opinion has been formulated as a result of instances where the expected financial framework has not been adhered to. This has resulted in weak operational controls as reflected in the high number of exceptions raised in this report, which may potentially result in a reputational and financial loss to the Authority considering the nature of the service provision.

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APPENDIX C AUDIT PLAN 2019/20

Audit	Audit Sponsor	Strategic Risks	Corporate Priorities	Provisional Scope
Residential Units	Adult Social Care	3,4	1,2	Scope to include a review of operational controls.
Community & Hospital Based Assessments	Adult Social Care	3,4	1,2	Scope to include a review of new packages submitted by the NHS.
Deprivation of Liberties	Adult Social Care	3,4	1,2	Scope to include a review of compliance with legislation.
Children with Disabilities	Children Services and Education	1,4,11	1,4,5	Scope to include a review of key controls.
Education Health Care Plan 19 - 25 years old	Children Services and Education	1,4,11	1,4,5	Scope to include a review of the educational provision in place to 25 year olds.
Troubled Families Grant	Children Social Care	1,4,11	1,4,5	Grant Verification
Edge of Care	Children Social Care	1,4,11	1,4,5	Scope to include a review of key controls.
Harbour School	Children Services and Education	1,4,11	1,4,5	Scope to include a review of key operational and financial controls.
Short Breaks	Children Services and Education	1,4,11	1,4,5	Scope to include a review of key controls.
Schools (TBD)	Children Services and Education	1,4,11	1,4,5	Scope to include a review of key controls.
Debt Recovery	Community and Communications	11,13	all	Scope to include a review of key controls.
Council Tax and NNDR	Community and Communications	2,7,8	all	Scope to include a review of key controls.
Housing & Council Tax Benefits	Community and Communications	2,7,8	all	Scope to include a review of key controls.
Volunteering & Social Action	Community and Communications	1,2,3,4,8,11,13	1,4,5	Scope to include a review of key controls.
Guildhall	Culture, Leisure & Regulatory Services	4,9	1,2,4,5	Scope to include a review of medium to long term business planning.
Pyramids	Culture, Leisure & Regulatory Services	4,9	1,2,4,5	Scope to include a review of key operational & financial controls.
Water Safety	Culture, Leisure & Regulatory Services	4,9	1,3,4,5	Scope to include a review of the arrangements in place for safeguarding.
Play Areas	Culture, Leisure & Regulatory Services	4,9	1,2,4,5	Scope to include a review of equipment & maintenance.
Community Centres (Associations)	Culture, Leisure & Regulatory Services	2,4,9	1,2,4,5	Scope to include a review of key operational controls.
Accounts Payable	Finance & IS	7,8,11	all	Scope to include a review of key controls.
Accounts Receivable	Finance & IS	7,8,11	all	Scope to include a review of key controls.
Payroll/ Pension	Finance & IS	7,8,11	all	Scope to include a review of key controls.
Purchase Cards	Finance & IS	7,8,11	all	Scope to include a review of key controls.
Capital Accounting	Finance & IS	7,8,11	all	Scope to include a review of key controls.
Treasury Management	Finance & IS	7,8,11	all	Scope to include a review of key controls.
Banking	Finance & IS	7,8,11	all	Scope to include a review of key controls.
Grants	Finance & IS	7,8,11	all	Grant Verification

Audit	Audit Sponsor	Strategic Risks	Corporate Priorities	Provisional Scope
IS Procurement & Inventory	Finance & IS	7,8,11	1,5	Scope to include a review of key financial & operational controls.
IS Helpdesk & Desktop Management	Finance & IS	7,8,11	1,5	Scope to include a review of general process, effectiveness of service delivery and data security.
Rents & Charges	Housing, Neighbourhood and Building Services	7,8,11,13	1,4,5	Scope to include a review of key controls.
Estate Services	Housing, Neighbourhood and Building Services	7,8,11,13	1,4,5	Scope to include a review of communal areas.
Sheltered Services	Housing, Neighbourhood and Building Services	7,8,11,13	1,4,5	Scope to include a review of wider housing services including domiciliary care.
Claims (Insurance)	Housing, Neighbourhood and Building Services	7,8,11,13	1,4,5	Scope to include a review of key controls for the administration of minor claims.
Under Occupation	Housing, Neighbourhood and Building Services	7,8,11,13	1,4,5	Scope to include a review of key controls.
Emergency Procedures	Housing, Neighbourhood and Building Services	7,8,11,12,13	1,4,5	Scope to include a review of arrangements in place across sheltered housing blocks.
Compliance Checks (Safety)	Housing, Neighbourhood and Building Services	7,8,11,12,13	1,4,5	Scope to include compliance checks around fire risk assessments, GAS & electrical.
Energy Management, includes carbon reduction, energy purchasing and services	Housing, Neighbourhood and Building Services	5,7,9	1,4,5	Annual verification
Disabled Facilities Grant	Housing, Neighbourhood and Building Services	4	1,4,5	Scope to include review of applications processed.
Homes in Multiple Occupation	Housing, Neighbourhood and Building Services	3,6	1,4,5	Scope to include a review of inspections and compliance with relevant legislation.
Coffee Shops	Housing, Neighbourhood and Building Services	-	1,5	Scope to include a review of operational controls.
Shared Services	HR, Legal & Performance	10,11	all	Scope to include a review of capacity & contingency arrangements.
Learning & Development	HR, Legal & Performance	2	2,4	Scope to include a review of in-house and externally purchased services.
Apprentice Levy	HR, Legal & Performance	2,11	1,4,5	Scope to include a review of strategies and operational controls.
Modern Slavery	HR, Legal & Performance	6	1,3,4,5	Scope to include a review of compliance with legislation.
Income Dues Condor	Port	11	all	Scope to include a review of key controls.
Marine M (Application)	Port	7,8	5	Scope to include a review of post implementation delivery.
Emergency Planning & Disaster Recovery	Port	5,6,7,8,9	all	Scope to include a review of key risk exposure.
Port Grant	Port	7,8,11	all	Grant Verification
Public Health Outcomes	Public Health	4,9,11	all	Scope to include a review of outcomes achieved and evidenced across the Authority.

Audit	Audit Sponsor	Strategic Risks	Corporate Priorities	Provisional Scope
Mental Health	Public Health	4,9,10	all	Scope to include a review of contract monitoring arrangements.
Strategic Project Management	Regeneration	11	all	Scope to include a review of key controls.
Planning	Regeneration	11,13	2,5	Scope to include a review of compliance with legislation & statutory requirements.
Commercial Rents	Regeneration	7,8,11	all	Scope to include a review of financial & operational controls.
Asset Register & Valuation	Regeneration	7,8,11	all	Scope to include a review of financial & operational controls.
Residential Parking	Regeneration	11,13	1,3,5	Scope to include a review of financial & operational controls.
PCMI Manufacturing	Regeneration	2,11	1,2,5	Scope to include a review of financial & operational controls.
Mainland Marketing Deliveries TBD	MMD	-	-	-
Langstone Harbour Board	Langstone Harbour Board	N/A	N/A	N/A

Follow Ups

Audit	Audit Sponsor	Strategic Risks	Corporate Priorities	Provisional Scope
Direct Payments	Adult Social Care	3,4	1,2,5	Follow Up
Domiciliary Care	Adult Social Care	2,3,4,11	1,2,5	Follow Up
Children's Residential unit	Children Social Care	1,4,11	1,4,5	Follow Up
Freedom of Information	Community and Communications	7,8	5	Follow Up
Contaminated Land	Culture, Leisure & Regulatory Services	6,9,11	1,2,4,5	Follow Up
City Twinning	Culture, Leisure & Regulatory Services	6,13	1,5	Follow Up
Registrars	Culture, Leisure & Regulatory Services	6,7,8	4,5	Follow Up
Modern Records	Culture, Leisure & Regulatory Services	6,7,8	5	Follow Up
Outdoor Centre	Culture, Leisure & Regulatory Services	4,9	1,2,4,5	Follow Up
Travel & Subsistence	Finance & IS	7,8,11	all	Follow Up
Community Centres (PCC Staffed)	Housing, Neighbourhood and Building Services	2,4,9	1,2,4,5	Follow Up
Health & Safety	Housing, Neighbourhood and Building Services	9	1,3,4,5	Follow Up
Supporting vulnerable people through Homecheck/ Telecare	Housing, Neighbourhood and Building Services	4,9	1,4,5	Follow Up
Risk Management	HR, Legal and Performance	all	all	Follow Up
Land charges	HR, Legal and Performance	6,7,8	5	Follow Up

Audit	Audit Sponsor	Strategic Risks	Corporate Priorities	Provisional Scope
Accounts Payable and receivables (Port Finance)	Port	2,7,8,11	all	Follow Up
Substance Misuse (drugs & alcohol)	Public Health	4	1,3,4	Follow Up

Strategic Risk Key

1. Pressures lead to increased caseloads and therefore reduced practice quality in children's social care, increasing vulnerability of children and leading to a preventable incident.
2. Challenges in recruiting and retaining key staff and skills into the city, meaning that key services are compromised.
3. Pressures in the local market for care services, including residential and domiciliary care, mean that care of vulnerable adults is compromised, leading to a preventable incident.
4. Reduction in services for vulnerable people, such as domestic violence and substance misuse service, lead to poorer outcomes and increased demand for other services.
5. Failure to protect the city environment, including in relation to air quality, flood defence and natural and heritage assets.
6. Exposure to national level political and legislative change (such as welfare reform) including impact on scope of duties, powers, responsibilities and service demand.
7. Exposure to system failure, including support expiry, single points of failure, cyber
8. Failure to ensure the City Council's information is held and protected in line with Information Governance policies and procedures
9. Failure to fulfil health and safety responsibilities, including in respect of operational and heritage buildings.
10. Increased partnering, alternative delivery models and commercial approaches increase pressure on capacity, challenge governance arrangements, and increase risk of income loss if arrangements cease.
11. Addressing underlying budget pressures and delivering effective and sustainable services, particularly in children's and adults' services.
12. Major incident or service disruption (including serious health protection threats) leading to delivery failure that significantly impairs or prevents the Council's ability to deliver key services and/or statutory functions.
13. Failure to deliver strategic improvements for the city, due to wider market factors

Corporate Priorities Key

1. Make Portsmouth a city that works together, enabling communities to thrive and people to live healthily, safe and independent lives.
2. Encourage regeneration built around our city's thriving culture, making Portsmouth a great place to live, work and visit.
3. Make our city cleaner, safer and greener.
4. Make Portsmouth a great place to live, learn and play, so our children and young people are safe, healthy and positive about their futures.
5. Make sure our council is a caring, competent and collaborative organisation that puts people at the heart of everything we do.

Agenda Item 6

Treasury Management Policy Report 2019/20



Title of meeting:	Governance and Audit and Standards Committee Cabinet City Council
Date of meeting:	8 March 2019 (Governance and Audit and Standards Committee) 12 March 2019 (Cabinet) 19 March 2019 (City Council)
Subject:	Treasury Management Policy 2019/20
Report by:	Chris Ward, Director of Finance and Information Technology (Section 151 Officer)
Wards affected:	All
Key decision:	Yes
Full Council decision:	Yes

1. Executive Summary of the Treasury Management Policy Statement

Treasury Management Policy

The attached Treasury Management Policy sets out the Council's policies on borrowing and investing surplus cash for 2019/20.

The Treasury Management Policy for 2019/20 differs from previous years in order to reflect revised Government guidance on investments and the revised Prudential Code produced by the Chartered Institute of Public Finance and Accountancy (CIPFA).

The revised Prudential Code requires the City Council to approve a Capital Strategy providing an overview of the Council's plans for capital expenditure, its borrowing and its investments. Some aspects of the Council's financial management that were previously approved as part of the Treasury Management Policy, including risk appetite and minimum revenue provision (MRP) for debt repayments, will now be considered by the Cabinet and City Council as part of the Capital Strategy.

The Treasury Management Policy also sets a number of treasury management indicators that will establish the boundaries within which treasury management activities will be undertaken. These are contained in Appendix D.

Annual Investment Strategy

The Treasury Management Policy includes the strategy for the investment of surplus cash, known as the Annual Investment Strategy, which establishes the types of investment, investment counter parties and investment durations that the Council will operate within.

Banks and building societies currently meeting the Council's credit criteria are listed in Appendix F. There are too many corporate bond, registered social landlords (RSLs) and universities to include in the appendix.

2. Purpose of report

The purpose of this report is to obtain the Council's approval of the updated Treasury Management Policy Statement (attached) which includes the Annual Investment Strategy.

3. Recommendations

- 3.1a that the treasury management indicators contained in Appendix D be approved;**
- 3.1b that the attached Treasury Management Policy Statement including the Treasury Management Strategy, and Annual Investment Strategy for 2019/20 be approved;**
- 3.1c that the following changes compared to the previous Annual Investment Strategy be noted:**
 - (i) That a new category of non-specified investments be added to permit investment in pooled investment vehicles including equity funds, property funds, supply chain finance funds and multi asset funds with a limit of £50m per fund**
 - (ii) That the maximum limit of an investment in a subsidiary company be increased from £20m to £30m**

- 3.1d the Director of Finance and Information Technology (Section 151 Officer) and officers nominated by him have delegated authority to (paragraph 3.2 of Treasury Management Policy Statement):**
- (i) invest surplus funds in accordance with the approved Annual Investment Strategy;**
 - (ii) borrow to finance short term cash deficits and capital payments from any reputable source within the authorised limit for external debt of £737m approved by the City Council on 12 February 2019;**
 - (iii) reschedule debt in order to even the maturity profile or to achieve revenue savings;**
 - (iv) to buy and sell foreign currency, and to purchase hedging instruments including forward purchases, forward options and foreign exchange rate swaps to mitigate the foreign exchange risks associated with some contracts that are either priced in foreign currencies or where the price is indexed against foreign currency exchange rates.**
- 3.1e that the Chief Executive, the Leader of the City Council and the Chair of the Governance and Audit and Standards Committee be informed of any variances from the Treasury Management Policy when they become apparent, and that the Leader of the City Council be consulted on remedial action (paragraph 17.1 of Treasury Management Policy Statement)**

4. Background

The Council's treasury management operations cover the following:

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

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

- Credit risk - ie. that the Council is not repaid, with due interest in full, on the day repayment is due

- Liquidity risk - ie. that cash will not be available when it is needed, or that the ineffective management of liquidity creates additional, unbudgeted costs
- Interest rate risk - that the Council fails to get good value for its cash dealings (both when borrowing and investing) and the risk that interest costs incurred are in excess of those for which the Council has budgeted
- Exchange rate risk - the risk that fluctuations in foreign exchange rates create an unexpected or unbudgeted burden on the organisation's finances, against which the organisation has failed to protect itself adequately.
- Inflation risk, ie. the chance that cash flows from an investment won't be worth as much in future because of changes in purchasing power due to inflation.
- Maturity (or refinancing risk) - this relates to the Council's borrowing or capital financing activities, and is the risk that the Council is unable to repay or replace its maturing funding arrangements on appropriate terms
- Procedures (or systems) risk - ie. that a treasury process, human or otherwise, will fail and planned actions are not carried out through fraud, error or corruption

The total borrowings of the Council at 1 April 2019 are estimated to be £619m. The Council's investments at 1 April 2019 are estimated to be £326m. The cost of the Council's borrowings and the income derived from the Council's investments are included within the Council's treasury management budget of £24.8m per annum. The Council's treasury management activities account for a significant proportion of the Council's overall budget. As a consequence the Council's Treasury Management Policy aims to manage risk while optimising costs and returns. The Council will monitor and measure its treasury management position against the indicators contained in the Treasury Management Policy.

The City Council has adopted the Chartered Institute of Public Finance and Accountancy's (CIPFA) Treasury Management in the Public Services Code of Practice. The Code of Practice requires the City Council to approve a Treasury Management Strategy before the start of the financial year.

In addition the Government has issued statutory guidance that requires the Council to approve an Annual Investment Strategy before the start of the financial year.

The Treasury Management Strategy, and the Annual Investment Strategy are all contained within the attached Treasury Management Policy Statement.

5. Reasons for recommendations

The recommendations within the attached Treasury Management Policy Statement reflect the Chartered Institute of Public Finance and Accountancy's (CIPFA) Treasury Management Code of Practice and have regard to statutory guidance issued by the Government. These are designed to:

- Enable the Council to borrow funds as part of managing its cash flow or to fund capital expenditure in a way that minimises risk and costs
- Provide for the repayment of borrowing
- Ensure that the Council's investments are secure
- Ensure that the Council maintains sufficient liquidity
- Maximise the yield on investments in a way that is commensurate with maintaining the security and liquidity of the investment portfolio

The Treasury Management Policy also sets a number of treasury management indicators that will establish the boundaries within which treasury management activities will be undertaken. These are contained in Appendix D (**Recommendation 3.1a**).

Recommendation 3.1(b) seeks the Council's approval to adopt the Treasury Management Policy Statement for 2019/20.

Recommendation 3.1(c)(i) seeks to allow a new category of non-specified investments to encompass pooled investment vehicles including equity funds, property funds, supply chain finance funds and multi asset funds. The Council is likely to have substantial cash balances in the medium term and these investment vehicles have the potential to generate returns in excess of inflation, and thus maintain the value of the principal invested in real terms. These investment vehicles often have entry and exit fees and are subject to cyclical changes in capital value. Therefore these investment vehicles are only suitable for cash which will be held at least into the medium term.

Recommendation 3.1(c)(ii) seeks to increase the maximum sum that can be invested in a subsidiary company from £20m to £30m to facilitate the establishment of a subsidiary company to develop housing in the greater Portsmouth area on a commercial basis.

Recommendation 3.1(d) seeks delegated authority for the Director of Finance and Information Technology (Section 151 Officer) and officers nominated by him to execute the Council's Treasury Management Policy.



Recommendation 3.1(e) seeks the Councils approval for the proposed actions to report any variances from the Treasury Management Policy.

6. Equality impact assessment (EIA)

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

7. Legal Implications

The Section 151 Officer is required by the Local Government Act 1972 and by the Accounts and Audit Regulations 2011 to ensure that the Council's budgeting, financial management, and accounting practices meet the relevant statutory and professional requirements. Members must have regard to and be aware of the wider duties placed on the Council by various statutes governing the conduct of its financial affairs.

8. Director of Finance and Information Technology (Section 151 Officer)'s comments

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

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

Appendix: Treasury Management Policy Statement, Annual Minimum Revenue Provision for Debt Repayment Statement and Annual Investment Strategy 2019/20

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
1 Information pertaining to the Treasury Management Strategy	Financial Services

TREASURY MANAGEMENT POLICY STATEMENT INCLUDING:

- **TREASURY MANAGEMENT STRATEGY**
- **ANNUAL INVESTMENT STRATEGY 2019/20**

**Portsmouth City Council
Director of Finance and Information Technology (Section 151
Officer)**

TREASURY MANAGEMENT POLICY STATEMENT 2018/19

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1 BACKGROUND

- 1.1 This Council defines its Treasury Management activities as “the management of the organisation’s investments and cash flows, its banking, money market and capital market transactions, the effective control of the risks associated with those activities, and the pursuit of optimum performance consistent with those risks.”
- 1.2 This Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation, and any financial instruments entered into to manage these risks.
- 1.3 This Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance management techniques, within the context of effective risk management.
- 1.4 The City Council’s treasury management activities are governed by various codes of practice and guidance that the Council must have regard to under the Local Government Act 2003. The main codes and guidance that the Council must have regard to are:
 - Treasury Management in the Public Services Code of Practice published by the Chartered Institute of Public Finance and Accountancy (CIPFA) which sets out the key principles and practices to be followed.
 - The Prudential Code for Capital Finance in Local Authorities published by CIPFA which governs borrowing by local authorities.
 - The Guidance on Local Government Investments published by the Ministry of Housing Communities and Local Government which governs local authorities investment activities and stipulates that investment priorities should be security (protecting the capital sum from loss) and liquidity (keeping money readily available for expenditure when needed), rather than yield.

2 REPORTING ARRANGEMENTS

2.1 General Background

The Council has a duty to prepare 3 interrelated but distinct strategies as follows:

- Capital Strategy - covering future capital expenditure, and its implications for borrowing, providing for the repayment of debt and investing
- Treasury Management Strategy - covering how borrowing and investments are to be organised and setting boundaries within which these activities will be undertaken
- Annual Investment Strategy - covering the types of cash investments that the Council may enter into including limits on activity

This Treasury Management Policy deals with the Treasury Management Strategy and the Annual Investment Strategy. The Capital Strategy will be reported separately.

2.2 Capital Strategy

The Chartered Institute of Public Finance and Accountancy (CIPFA) revised 2017 Prudential and Treasury Management Codes require, for 2019-20, all local authorities to prepare an additional report, a capital strategy report providing a high-level long term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services, and an overview of how the associated risk is managed

The aim of this capital strategy is to ensure that all elected members on the full council fully understand the overall long-term policy objectives and resulting capital strategy requirements, governance procedures and risk appetite.

This Capital Strategy is reported separately from the Treasury Management Strategy Statement; non-treasury investments will be reported through the former. This ensures the separation of the core treasury function under security, liquidity and yield principles, and the policy and commercialism investments usually driven by expenditure on an asset. The capital strategy will show:

- The corporate governance arrangements for these types of activities;
- The expected income, costs and resulting contribution;
- The debt related to the activity and the associated interest costs;
- The payback period (minimum revenue provision (MRP) policy for debt repayment);
- The risks associated with each activity (see Appendix A)

If any non-treasury investment sustains a loss in a financial year, the strategy and revenue implications will be reported through the same procedure as the capital strategy.

2.2 Treasury Management Strategy

The Council is currently required to receive and approve, as a minimum, three main treasury reports each year, which incorporate a variety of policies, estimates and actuals.

- a. **Treasury management policy statement** (this report) - The first, and most important report is forward looking and covers:
 - the treasury management strategy, (how the investments and borrowings are to be organised), including treasury indicators; and
 - an investment strategy, (the parameters on how investments are to be managed).

- b. **A mid-year treasury management report** – This is primarily a progress report and will update members on the current position, amending prudential indicators and policies as necessary.

- c. **An annual treasury management outturn report** – This is a backward looking review document and provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

Scrutiny

The above reports are required to be adequately scrutinised before being recommended to the Council. This role is undertaken by the Governance and Audit and Standards Committee. The Governance and Audit and Standards Committee also receives quarterly treasury management monitoring reports.

3 CAPITAL EXPENDITURE, BORROWING LIMITS AND THE PRUDENTIAL CODE

3.1 Capital Expenditure

The capital programme approved by the City Council on 12th February 2019 can be summarised in table A as follows:

Table A	2017/18 Actual	2018/19 Revised Estimate	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate
	£m	£m	£m	£m	£m	£m	£m
Investment Properties	13	32	23	-	-	-	-
Other Non - Housing Revenue Account (HRA)	71	100	169	123	29	23	18
Sub - Total	84	132	192	123	29	23	18
Housing Revenue Account (HRA)	38	35	33	33	28	30	32
Total	122	167	225	156	57	53	50
Element financed from borrowing	53	66	53	28	9	2	-

Capital expenditure on commercial activities / non-financial investments including investment properties is entirely financed from borrowing.

3.2 Borrowing Limits

The Prudential Code requires the City Council to approve an authorised limit and an operational boundary for external debt together with other prudential indicators designed to ensure that the capital investment plans are affordable, prudent and sustainable. These were approved by the City Council on 12th February 2019.

i) Authorised Limit

The authorised limit for external debt is the maximum amount of debt which the authority may legally have outstanding at any time. The Authorised Limit includes headroom to enable the Council to take advantage of unexpected movements in interest rates and to accommodate any short-term debt or unusual cash movements that could arise during the year

	£m
Borrowing	675
Other Long Term Credit Liabilities	<u>62</u>
	<u>737</u>

ii) Operational Boundary

The Operational Boundary is based on the probable external debt during the course of the year. It is not a limit, but acts as a warning mechanism to prevent the authorised limit (above) being breached.

	£m
Borrowing	645
Other Long Term Credit Liabilities	<u>62</u>
	<u>707</u>

3.3 Ratio of Financing Costs to Net Revenue Stream

Financing costs are largely fixed. Therefore the higher the ratio of financing costs to net revenue stream, the less flexibility there is to amend the Council's overall budgets.

Table B	2017/18 Actual	2018/19 Revised Estimate	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate
Non - Housing Revenue Account (HRA)	12.4%	10.9%	12.3%	14.1%	15.1%	14.7%	13.4%
Housing Revenue Account (HRA)	7.2%	7.2%	7.6%	7.5%	7.3%	7.0%	6.7%

The ratio of financing costs to net revenue stream for non-Housing Revenue Account (HRA) activity includes Investment Properties that have the following ratios representing the proportion of income from the investment properties that is required to cover the associated debt financing costs.

Table C	2017/18 Actual	2018/19 Revised Estimate	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate
Investment Properties	34.1%	34.8%	34.8%	33.2%	33.2%	33.2%	33.2%

3.4 The Council's Underlying Borrowing Need (Capital Financing Requirement)

The capital financing requirement (CFR) is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's indebtedness and so its underlying borrowing need. Any capital expenditure above, which has not immediately been paid for through a revenue or capital resource, will increase the CFR.

The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the indebtedness in line with each assets life, and so charges the economic consumption of capital assets as they are used.

Treasury Management Policy 2019/20

The CFR includes any other long-term liabilities (e.g. PFI schemes, finance leases). Whilst these increase the CFR, and therefore the Council's borrowing requirement, these types of scheme include a borrowing facility by the PFI lease provider and so the Council is not required to separately borrow for these schemes. The Council currently has £68m of such schemes within the CFR.

Table D	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m
Commercial activities / non-financial investments including investment properties	117	149	172	172	172	172	172
Non - Housing Revenue Account (HRA)	291	314	333	352	356	353	350
Sub - Total	408	463	505	524	528	525	522
Housing Revenue Account (HRA)	167	174	180	183	180	177	174
Total Capital Financing Requirement (CFR)	575	637	685	707	708	702	696
Movement	48	62	48	22	1	(6)	(6)

The movement in the CFR is analysed in the table below.

Table E	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m
Capital expenditure financed by borrowing from table above	53	66	53	28	9	2	-
Less Minimum revenue provision (MRP)	(5)	(4)	(5)	(6)	(8)	(8)	(6)
Movement in CFR	48	62	48	22	1	(6)	(6)

3.5 Gross Debt and the Capital Financing Requirement

In order to ensure that over the medium term, debt will only be for a capital purpose, CIPFA's Prudential Code which the City Council is legally obliged to have regard to requires the City Council to ensure that debt does not, except in the short term, exceed the total of capital financing requirement (CFR). The CFR measures the Council's underlying need to borrow. If in any year there is a reduction in the capital financing requirement, this reduction is ignored in estimating the cumulative increase in the capital financing requirement which is used for the comparison with gross external debt. The Council's forecast gross debt is shown in the table below.

Table F	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	£m	£m	£m	£m	£m	£m
Borrowing	553	544	536	528	520	512
Finance leases	1	1	1	1	1	1
Service Concessions (including Private Finance Initiative schemes)	65	62	56	50	45	42
Total Gross debt	619	607	593	579	566	555
Capital Financing Requirement (CFR):						
Opening CFR in 2018/19	575					
Change in CFR in 2018/19	62					
Closing CFR in 2018/19	637					
Cumulative increase in CFR in future years		48	70	71	71	71
Closing CFR	637	685	707	708	708	708
Borrowing Under / (Over) the CFR	18	78	114	129	142	153

The Council's gross debt exceeded its estimated CFR, ie. it was over borrowed, in 2017/18 by £55m. This is primarily due taking advantage of low interest rates in 2016/17 and also to less commercial property being acquired in 2016/17 than had been anticipated. It is planned to finance £66m of capital expenditure from borrowing in 2018/19 including the purchase of £32m of commercial property. This should leave the Council under borrowed by £18m at the end of 2018/19.

4 TREASURY MANAGEMENT POLICY STATEMENT

4.1 The prime objective of the Treasury Management function is the effective management and control of risk associated with the activities described in paragraph 1.1. The key risks associated with the Council's treasury management operations are:

- Credit risk – ie. that the local authority is not repaid, with due interest in full, on the day repayment is due.
- Liquidity risk – ie. that cash will not be available when it is needed, or that the ineffective management of liquidity creates additional, unbudgeted costs.
- Interest rate risk – ie. that the authority fails to get good value for its cash dealings (both when borrowing and investing) and the risk that interest costs incurred are in excess of those for which the authority has budgeted.
- Inflation risk, ie. the chance that cash flows from an investment won't be worth as much in future because of changes in purchasing power due to inflation.
- Exchange rate risk - the risk that fluctuations in foreign exchange rates create an unexpected or unbudgeted burden on the organisation's finances, against which the organisation has failed to protect itself adequately.
- Maturity (or refinancing risk) – This relates to the authority's borrowing or capital financing activities, and is the risk that the authority is unable to repay or replace its maturing funding arrangements on appropriate terms.
- Procedures (or systems) risk – ie. that a treasury process, human or otherwise, will fail and planned actions are not carried out through fraud, error or corruption.

4.2 It is recommended that the Director of Finance and Information Technology (Section 151 Officer) and officers nominated by him have delegated authority to **(recommendation 3.1c)**:

- (i) invest surplus funds in accordance with the approved Annual Investment Strategy;
- (ii) borrow to finance short term cash deficits and capital payments from any reputable source within the authorised limit for external debt of £737m approved by the City Council on 12 February 2019;
- (iii) Release the over provision of MRP back into General Fund balances over a prudent period by reducing the MRP in future years;
- (v) to buy and sell foreign currency, and to purchase hedging instruments including forward purchases, forward options and foreign exchange rate swaps to mitigate the foreign exchange risks associated with some contracts that are either priced in foreign currencies or where the price is indexed against foreign currency exchange rates.

5 TREASURY MANAGEMENT STRATEGY FOR 2019/20

5.1 Objectives

The budget for net interest and debt repayment costs for 2019/20 is £24.8m. The Treasury Management policy will therefore form a cornerstone of the Medium Term Resource Strategy.

Risk appetite statements are contained in the Capital Strategy. Lending and Borrowing will be undertaken in line with these risk appetite statements which are reproduced in Appendix A.

Specific objectives to be achieved in 2019/20 are:

(a) Borrowing

- To minimise the revenue costs of debt
- To manage the City Council's debt maturity profile to ensure that no single financial year exposes the authority to a substantial borrowing requirement when interest rates may be relatively high
- To match the City Council's debt maturity profile to the provision of funds to repay debt if this can be achieved without significant cost
- To effect funding in any one year at the cheapest long term cost commensurate with future risk
- To forecast future interest rates and borrow accordingly (i.e. short term and/or variable when rates are 'high', long term and fixed when rates are 'low').
- To monitor and review the level of variable interest rate loans in order to take greater advantage of interest rate movements
- To reschedule debt in order to take advantage of potential savings as interest rates change or to even the maturity profile.

(b) Lending

- To ensure the security of lending (the maximisation of returns remains a secondary consideration)
- To make returns in excess of inflation on the Council's long term core cash
- To maintain £10m in instant access accounts
- To make funds available to Council's subsidiaries
- To make funds available for the provision of housing in the greater Portsmouth area on a commercial basis
- To make funds available for the regeneration of Hampshire on a commercial basis
- To manage the Council's investment maturity profile to ensure that no single month exposes the authority to a substantial re-investment requirement when interest rates may be relatively low to the extent that this can be managed without compromising the security of lending.

5.2 Gross and Net Debt

5.2.1 The borrowing and investment projections for the Council are as follows:

Table G	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	£m	£m	£m	£m	£m	£m	£m
Gross Debt at 31 March*	561	553	544	536	528	520	512
Investments at 31 March	(419)	(326)	(255)	(194)	(137)	(49)	(23)
Estimated Net Debt	142	227	289	342	391	471	489

* The gross debt shown above includes the following amounts relating to commercial activities / non-financial investments:

Table H	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
External debt for Investment Properties							
Gross Debt at 31 March	£117m	£149m	£172m	£172m	£172m	£172m	£172m
Percentage of total external debt	21%	27%	32%	32%	33%	33%	34%

5.2.2 The current high level of investments has arisen from the Council's earmarked reserves and borrowing in advance of need to take advantage of low borrowing rates thus securing cheap funding for the Council's capital programme. The current high level of investments does increase the Council's exposure to credit risk, ie. the risk that an approved borrower defaults on the Council's investment. In the interim period when investments are high in advance of capital expenditure being incurred, there is also a short term risk that the rates (and therefore the cost) at which money has been borrowed will be greater than the rates at which those loans can be invested. However the Council's treasury management investments are expected to decline in 2019/20 as funds are used to invest in commercial properties and other capital schemes.

5.3 Interest Rates

5.3.1 Interest Rate Forecasts

No treasury consultants are currently employed by the City Council to advise on the borrowing strategy. However, the City Council does employ Link Asset Services to provide an economic and interest rate forecasting service and maintains daily contact with the London Money Market.

Table I

Link Asset Services Interest Rate View													
	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22
Bank Rate View	0.75%	0.75%	1.00%	1.00%	1.00%	1.25%	1.25%	1.25%	1.50%	1.50%	1.75%	1.75%	2.00%
3 Month LIBID	0.70%	0.80%	1.00%	1.10%	1.20%	1.40%	1.50%	1.50%	1.60%	1.70%	1.80%	1.90%	2.00%
6 Month LIBID	0.80%	0.90%	1.20%	1.30%	1.40%	1.50%	1.60%	1.70%	1.80%	1.90%	2.00%	2.10%	2.20%
12 Month LIBID	1.00%	1.10%	1.40%	1.50%	1.60%	1.70%	1.80%	1.90%	2.00%	2.10%	2.20%	2.30%	2.40%
5yr PWLB Rate	1.80%	1.90%	2.00%	2.10%	2.20%	2.30%	2.30%	2.40%	2.50%	2.50%	2.60%	2.60%	2.70%
10yr PWLB Rate	2.20%	2.30%	2.40%	2.50%	2.60%	2.60%	2.70%	2.80%	2.90%	2.90%	3.00%	3.00%	3.00%
25yr PWLB Rate	2.70%	2.80%	2.90%	3.00%	3.10%	3.20%	3.20%	3.30%	3.40%	3.40%	3.50%	3.50%	3.60%
50yr PWLB Rate	2.50%	2.60%	2.70%	2.80%	2.90%	3.00%	3.00%	3.10%	3.20%	3.20%	3.30%	3.30%	3.40%

2018 was a year which started with weak growth of only +0.1% in quarter 1. However, quarter 2 rebounded to +0.4% followed by quarter 3 being exceptionally strong at +0.6%. Quarter 4 though, was depressed by the cumulative weight of Brexit uncertainty and came in at only +0.2%. Growth is likely to continue being weak until the Brexit issues are resolved.

The above forecasts are based on a major assumption that Parliament and the EU agree an orderly Brexit, either by 29 March or soon after. At their 7 February meeting, the Monetary Policy Committee (MPC) of the Bank of England repeated their well-worn phrase that future Bank Rate increases would be gradual and would rise to a much lower equilibrium rate, (where monetary policy is neither expansionary or contractionary), than before the financial crash; indeed they have given a figure for this of around 2.5% in ten years' time but have declined to give a medium term forecast. However, with so much uncertainty around Brexit, the next move could be up or down, even if there was a disorderly Brexit. While it would be expected that Bank Rate could be cut if there was a significant fall in GDP growth as a result of a disorderly Brexit, so as to provide a stimulus to growth, they could also *raise* Bank Rate in the same scenario if there was a boost to inflation from increases in import prices, devaluation of sterling, and more expensive goods produced in the UK replacing cheaper goods previously imported, and so on. In addition, the Chancellor could provide fiscal stimulus to boost growth.

The overall longer run future trend is for gilt yields, and consequently PWLB rates, to rise, albeit gently. However, over about the last 25 years, we have been through a period of falling bond yields as inflation subsided to, and then stabilised at, much lower levels than before, and supported by central banks implementing substantial quantitative easing purchases of government and other debt after the financial crash of 2008. Quantitative easing, conversely, also caused a rise in equity values as investors searched for higher returns and purchased riskier assets. In 2016, we saw the start of a reversal of this trend with a sharp rise in bond yields after the US Presidential election in November 2016, with yields then rising further as a result of the big increase in the US government deficit aimed at stimulating even stronger economic growth. That policy change also created concerns around a significant rise in inflationary pressures in an economy which was already running at remarkably low levels of unemployment. Unsurprisingly, the Federal Reserve has continued on its series of robust responses to combat its perception of rising inflationary pressures by repeatedly increasing the Fed rate to reach 2.25 – 2.50% in December 2018. It has also continued its policy of not fully reinvesting proceeds from bonds that it holds as a result of quantitative easing, when they mature. We have, therefore, seen US 10 year bond Treasury yields rise above 3.2% during October 2018 and also seen investors causing a sharp fall in equity prices as they sold out of holding riskier assets. However, US 10 year bond yields have subsequently fallen back on fears that the Federal Reserve could be too aggressive in raising interest rates and was going to cause a recession. More recent comments by the Federal Reserve have indicated that the chances of more than one further increase after the December increase have considerably diminished and that there is some doubt around even one more increase. Equity prices have been very volatile on alternating good and bad news over this period.

Rising bond yields in the US have also caused some upward pressure on bond yields in the UK and other developed economies. However, the degree of that upward pressure has been dampened by how strong or weak the prospects for economic growth and rising inflation are in each country, and on the degree of progress towards the reversal of monetary policy away from quantitative easing and other credit stimulus measures.

From time to time, gilt yields, and therefore Public Works Loans Board (PWLB) rates, can be subject to exceptional levels of volatility due to geopolitical, sovereign debt crisis, emerging market developments and sharp changes in investor sentiment. Such volatility could occur at any time during the forecast period.

Economic and interest rate forecasting remains difficult with so many external influences weighing on the UK. Geopolitical developments, especially in the EU, could also have a major impact. Forecasts for investment earnings beyond the three-year time horizon will be heavily dependent on economic and political developments.

Further background information and risks to the interest rate forecasts are contained in Appendix B.

5.3.2 Borrowing Rates

Borrowing interest rates have been volatile so far in 2018/19 and while they were on a rising trend during the first half of the year, they have fallen significantly since then.

There will remain a cost of carry, (the difference between higher borrowing costs and lower investment returns), to any new long-term borrowing that causes a temporary increase in cash balances as this position will, most likely, incur a revenue cost.

5.3.3 Borrowing Strategy

The Council has established a net borrowing requirement in its capital strategy. This is the Council's underlying need to borrow as measured by its Capital Financing Requirement (CFR) less its cash back reserves which could be used to internally fund capital expenditure financed from borrowing for a limited period. This is considered to represent a neutral treasury management position and is shown below.

<u>Table J</u>	2018/19	2019/20	2020/21	2021/22
	£m	£m	£m	£m
Net Loans Requirement	293	403	515	573
Borrowing (excluding finance leases, PFI schemes & transferred debt)	552	544	536	527
Amount of Borrowing (Over) / Under Net Loans Requirement	(259)	(141)	(21)	46

The Council may undertake borrowing in 2019/20 in order to full fill its net loans requirement in future years, but borrowing is not expected to exceed the CFR. This is particularly likely if it was felt that there was a significant risk of a much sharper rise in long and short term rates than that currently forecast, perhaps arising from an acceleration in the rate of increase in central rates in the USA and UK, an increase in world economic activity, or a sudden increase in inflation risks. Regard would also be given to the possibility that interest rates may not increase as forecast in the longer term.

Any decisions will be reported to the appropriate decision making body at the next available opportunity.

5.3.3 Investment Rates

Investment returns are likely to remain low during 2019/20 but are expected to be on a gently rising trend over the next few years.

5.4 Volatility of Budgets

The budget for interest payments and receipts is based on both the level of cash balances available and the interest rate forecasts contained in paragraph 4.3. Any deviation of interest rates from these forecasts will give rise to budget variances.

The Council is exposed to interest rate fluctuations through the need to invest up to £147m of surplus cash in the short term.

The Council currently has substantial sums of cash invested in the short term, and if interest rates fall below the budget forecast, investment income will be less than that budgeted. For example, if short-term interest rates fall to 0.5% below the budget forecast, the income from the Council's investments will be £0.7m below budget in 2019/20. Conversely, if short-term interest rates rise to 0.5% above the budget forecast, income from the Council's investments will exceed the budget by £0.7m in 2019/20.

5.5 Limits on total principal sums invested for periods longer than 365 days

Under the Treasury Management Code it is necessary to specify limits on the amount of long term investments, ie. investments exceeding 365 days that have maturities beyond year end.

Investing long term at fixed rates provides certainty of income and reduces the risk of interest rates falling. At the current time, investing long term allows higher yields to be obtained, although it would be prudent to maintain opportunities to invest when interest rates are higher. There are regular fluctuations in the Council's cash balances which can amount to £75m. In addition cash balances are expected to be at their lowest at the end of the financial year as tax receipts are lower in March. On this basis the following limits will be placed on total principal sums invested for periods longer than 365 days:

31/3/2019 = £264m

31/3/2020 = £205m

31/3/2021 = £144m

31/3/2022 = £117m

5.6 Limits for the maturity structure of borrowing

The Government has issued guidance on making provision for the repayment of General Fund debt which the Council is legally obliged to have regard to. The City Council is required to begin to make provision for the repayment of debt in advance of most of the Council's debt falling due for repayment. Therefore the City Council is required to provide for the repayment of debt well in advance of it becoming due. This is illustrated in the table below. This means that it is necessary to invest the funds set aside for the repayment of debt with its attendant credit and interest rate risks (see paragraph 3.1). The City Council could reschedule its debt, but unless certain market conditions exist at the time, premium payments have to be made to lenders (see paragraph 4.11).

CIPFA's Treasury Management in the Public Services Code of Practice which the City Council is legally obliged to have regard to requires local authorities to set upper and lower limits for the maturity structure of their borrowing.

It is recommended that the upper limit should be set high enough to allow for debt to be rescheduled into earlier years and for any new borrowing to mature over a shorter period than that taken out in the past. The high upper limit for debt maturing in over 40 years' time reflects existing borrowing as the upper limit cannot be set lower than the existing maturity profile.

It is recommended that the lower limit be set at 0%.

85% of the Council's borrowing is fixed rate with the remaining 15% borrowed at variable rates. In order to ensure a reasonably even maturity profile (paragraph 4.1(a)), it is recommended that the council will set upper and lower limits for the maturity structure of its borrowings as follows.

Amount of fixed rate borrowing maturing in each period as a percentage of total projected borrowing that is fixed rate.

Table K	Weighted Average Interest Rate	Loan Debt Maturity 31 March 2019	Underlying Loans Minimum Revenue Provision (MRP)	% By Which Loan Debt Maturity is Over / (Under) Loans MRP	Lower limit	Upper limit
Under 12 months	3.24%	1%	1%	0%	0%	10%
12 months and within 24 months	3.24%	1%	2%	(1%)	0%	10%
24 months and within 5 years	3.24%	4%	8%	(4%)	0%	10%
5 years and within 10 years	3.22%	7%	13%	(6%)	0%	20%
10 years and within 20 years	3.25%	24%	27%	(3%)	0%	30%
20 years and within 30 years	3.75%	7%	27%	(20%)	0%	30%
30 years and within 40 years	4.48%	31%	22%	9%	0%	40%
40 years and within 50 years	3.32%	25%	0%	25%	0%	40%

Amount of variable rate borrowing maturing in each period as a percentage of total projected borrowing that is variable rate.

Table L	Weighted Average Interest Rate	Loan Debt Maturity 31 March 2019	Underlying Loans Minimum Revenue Provision (MRP)	% By Which Loan Debt Maturity is Over / (Under) Loans MRP	Lower limit	Upper limit
Under 12 months	1.05%	2%	1%	1%	0%	10%
12 months and within 24 months	1.05%	2%	2%	0%	0%	10%
24 months and within 5 years	1.05%	6%	8%	(2%)	0%	10%
5 years and within 10 years	1.05%	10%	13%	(3%)	0%	20%
10 years and within 20 years	1.05%	22%	27%	(5%)	0%	30%
20 years and within 30 years	1.05%	23%	27%	(4%)	0%	30%
30 years and within 40 years	1.05%	21%	22%	(1%)	0%	30%
40 years and within 50 years	4.65%	14%	0%	14%	0%	30%

The current maturity pattern contained in Appendix C is well within these limits.

5.7 Debt Rescheduling

- 5.7.1 Most of the City Council's long term external debt has been borrowed at fixed interest rates ranging from 1.97% to 5.01%. 56% of the Council's fixed rate debt matures in over 30 years' time. Appendix C shows the long term loans maturity pattern. Therefore debt rescheduling could be beneficial in evening out the debt maturity profile.
- 5.7.2 In the event that it were decided to further reschedule debt, account will need to be taken of premium payments to the Public Works Loans Board (PWLB). These are payments to compensate the PWLB for any losses that they may incur.
- 5.7.3 The Housing Revenue Account (HRA) will be responsible for its proportion of the premium due for early redemption of debt, based on the percentage of debt attributable to the HRA at the start of the financial year. The premiums would be charged to the General Fund and the HRA. Regulations allow the City Council to spread the cost of the premiums over a number of years, during which the accounts would benefit from reduced external interest rates.
- 4.7.4 The Director of Finance and Information Technology (Section 151 Officer) will continue to monitor the Council's debt and will undertake further rescheduling if it would be beneficial.

5.8 Treasury Management Indicators

The Chartered Institute of Public Finance and Accountancy's (CIPFA) Treasury Management in the Public Services Code of Practice requires the Council to approve a number of treasury management indicators which set the limits within which the Council's treasury management activities will be undertaken. These are contained in the Treasury Management Strategy above and are summarised in Appendix D (**Recommendation 3.1a**)

6 APPROVED METHODS OF RAISING CAPITAL FINANCE

6.1 The following list specifies the various types of borrowing instruments which are available: -

	Variable	Fixed
PWLB	Y	Y
Market Long-term	Y	Y
Municipal Bonds Agency		Y
Market Temporary	Y	Y
Overdraft	Y	
Negotiable Bonds	Y	
Internal (capital receipts & revenue balances)	Y	Y
Commercial Paper	Y	Y
Medium Term Notes	Y	Y
Leasing	Y	Y
Bills & Local Bonds	Y	Y

6.2 The main methods of raising capital finance used by the City Council are discussed in greater detail within Section 6 of this policy. Other methods are not generally used because of the perceived risk or because administrative costs are high, such as in the case of Local Bonds.

6.3 Local authorities are not required to conform to the Money Laundering Regulations stipulated in the Financial Services Acts. However, these principles where practical will be applied when arranging future money market borrowing to ensure that funds are not obtained from potentially unscrupulous sources.

7 APPROVED SOURCES OF BORROWING

7.1 Further information on some of the main borrowing instruments used by the City Council is set out below: -

(a) Public Works Loans Board (PWLB)

The main source of longer term borrowing for the City Council for many years has been from the Government through the Public Works Loans Board. The PWLB offers fixed rate loans from 1 year to 50 years at varying rates with different methods of repayment.

Alternatively the PWLB offers variable rate loans for 1 to 10 years, where the interest rate varies at 1, 3 or 6 month intervals. These loans can be replaced by fixed rate loans before maturity at an opportune time to the authority.

(b) Money Market Loans – Long Term

Loans for 1 to 70 years are available through the London Money Market although, depending of the type of loan being arranged, the rates of interest offered may not match those available from the PWLB, especially for Equal Instalment of Principal loans (E.I.P. loans). Any loans to be taken are evaluated to ensure that the interest rate is the lowest the City Council could obtain.

Loans offered by the money market are often LOBO (Lenders Option, Borrowers Option) loans. This enables the authority to take advantage of low fixed interest for a number of years before an agreed variable rate comes into force. At the time when the interest rate becomes variable, the lender has the option to increase the rate charged every 6 months (or any other agreed review period). The borrower has the option to repay the loan with no penalties if the interest rate is increased on any of the review dates.

(c) Bonds

Bonds may be suitable for raising sums in excess of around £150m. The interest payable on bonds may be less than that charged by the PWLB, but considerable upfront fees would be incurred. To obtain the best interest rate, the Council would need to obtain a credit rating which would need to be maintained. This would incur a further upfront fee and an annual maintenance fee.

Because such a large amount needs to be borrowed to attract investors and also to reduce the upfront fees and negate the need for an individual credit rating a pooled issuance with other local authorities may be more viable.

(d) Municipal Bonds Agency (MBA)

A municipal bonds agency has been established by the Local Government Association (LGA) to enable local authorities to undertake long term borrowing at lower rates than those offered by the PWLB. The MBA is expected to issue its first bond and advance its first loans to local authorities. The MBA has yet to issue its first bond. Loans will be advanced on fixed dates determined by the municipal bonds agency. Loans will be repayable at maturity with the duration of the loan being fixed by the MBA.

(e) Money Market Loans – Temporary (Loans up to 365 days)

The use of temporary borrowing through the London Money Market forms an important part of the strategy. The authorised limit for external debt in 2019/20 of £737m set by the City Council on 12 February 2019 must not be exceeded. It is not anticipated that the City Council will need to use the temporary borrowing facility in 2018/19.

(f) Overdraft

An overdraft limit of £2m has been agreed with the Barclays Bank plc. Interest on the overdraft is charged at 1% above base rate. The City Council does not anticipate that short-term borrowing will generally be necessary during 2019/20 as it currently holds sufficient funds to enable the authority's cash flow to be managed without the need to borrow. However, the overdraft facility may be used when there are unforeseen payments and funds placed on temporary deposit cannot be called back in time.

(g) Internal Funds

Internal funds include all revenue reserves and other specific reserves maintained by the City Council, including the minimum revenue provision which is available to either repay debt or to be used instead of new borrowing. The cash held in respect of internal funds such as earmarked reserves can be borrowed in the short term to finance capital expenditure or the repayment of debt, thus delaying the need to borrow externally.

8. APPORTIONMENT OF BORROWING COSTS TO THE HOUSING REVENUE ACCOUNT (HRA)

8.1 The Council will continue to operate with a single loans pool and apportion costs according to locally established principles. The principles upon which the apportionment of borrowing costs should be based are as follows:

- The apportionment is broadly equitable between the HRA and the General Fund, and is detrimental to neither;
- The loans portfolio is managed in the best interests of the whole authority;
- The costs and benefits of over and under borrowing above or below the capital financing requirement (CFR) are equitably shared between the General Fund and the HRA.

9 ANNUAL INVESTMENT STRATEGY

9.1 The Government has also issued guidance on investments. The guidance requires the City Council to adopt an Annual Investment Strategy. This is contained within paragraphs 10 to 16 below. The requirements of the Ministry of Housing, Communities and Local Government are in addition to the requirements of the Chartered Institute of Public Finance and Accountancy's Treasury Management in Public Services: Code of Practice.

9.2 During the year the Council may be asked to approve a revised strategy if there are investment issues which the full Council might wish to have brought to their attention.

- 9.3 The guidance defines a prudent policy as having two objectives:
- achieving first of all security (protecting the capital sum from loss);
 - liquidity (keeping the money readily available for expenditure when needed).
- Only when proper levels of security and liquidity have been secured should yield be taken into account.
- 9.4 Investment activities will also take account of the risk appetite statement contained in the Capital Strategy approved by the Cabinet and City Council (reproduced in Appendix A).
- 9.5 Investment strategies usually rely on credit ratings and both the current and recommended Investment Strategies are based on credit ratings. Although the recommended Investment Strategy is based on credit ratings other sources of information will be taken into account prior to placing deposits such as information in the quality financial press and credit default swaps (CDS) prices.
- 9.6 CDS are a financial instrument for swapping the risk of debt default. The buyer of a credit default swap pays a premium for effectively insuring against a debt default. He receives a lump sum payment if the debt instrument is defaulted. The seller of a credit default swap receives monthly payments from the buyer. If the debt instrument defaults they have to pay an agreed amount to the buyer of the credit default swap.
- 9.7 Investments will be made with reference to the core balance and cash flow requirements and the outlook for short and medium term interest rates (i.e. rates for investments up to 6 years). Greater returns are usually obtainable by investing for longer periods. While most cash balances are required in order to manage the ups and downs of cash flow, where cash sums can be identified that could be invested for longer periods, the value to be obtained from longer term investments will be carefully assessed. As a general rule:
- If it is thought that Bank Rate is likely to rise significantly within the time horizon being considered, then consideration will be given to keeping most investments as being short term or variable.
 - Conversely, if it is thought that Bank Rate is likely to fall within that time period, consideration will be given to locking in higher rates currently obtainable, for longer periods.
- 9.8 The Council is forecast to have at least £87m of core surplus cash after internal borrowing has been taken into account until 2021/22. The Council must be mindful that some of this principal could be lost in real terms if investment returns do not exceed inflation. It is proposed that this cash be placed in long term investments that carry greater risk than the Council's shorter term investments.

- 9.9 The Council may invest these sums in:
- subsidiary companies;
 - companies that support the local economy such as Hampshire Community Bnk;
 - pooled investment vehicles such as corporate bond funds, equity funds, property funds, and multi asset funds
- 9.10 Some of these funds may be externally managed.
- 9.11 The Council may also invest in lower risk structured investment products that follow financial markets, such as equity markets, where movements in prices may diminish the capital sum invested. These investments, and indeed any other investment, could also be diminished if the counter party defaults. Although the Council only invests in counter parties offering good credit quality, the credit quality of an investment counter party can decline during the life of the investment. This is particularly the case with long term investments.
- 9.12 The Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Local Authority Accounting requires movements in the market value of pooled investments and some structured investment products to be charged to General Fund balances. The Government has made regulations to mitigate the effect of movements in the market value of pooled investments for at least five years, but there are no mitigating regulations for movements in the market value of structured products. This means that there will be less money to fund the Council's services in the event of the market value of some structured investments diminishing.

10. INVESTMENT CONSULTANTS

- 10.1 The City Council currently employs consultants to provide the following information:
- Interest rate forecasts
 - Credit ratings
 - CDS prices

11. SPECIFIED INVESTMENTS

- 11.1 The Government requires the Council to identify investments offering high security and high liquidity. These are the most secure investments and there is no overall limit on the amount that can be held. Specified investments will be made with the minimum of procedural formalities. They must be made in sterling and have a maximum duration of 365 days. Specified investments must not involve the acquisition of share capital in any corporate body.

11.2 Credit rating information is available to the financial market through three main credit rating bodies ie. Moody's, Fitch, and Standard and Poor. Short and long term credit ratings are provided by all three agencies. Long term credit ratings are explained in Appendix E.

11.3 The grades of short and long term credit rating are as follows with the best credit ratings at the top. The credit ratings that meet the City Council's investment criteria for specified investments are shaded.

Fitch		Moody's		Standard & Poor's	
Short Term	Long Term	Short Term	Long Term	Short Term	Long Term
F1+	AAA	P-1	Aaa	A-1+	AAA
	AA+		Aa1		AA+
	AA		Aa2		AA
	AA-		Aa3		AA-
F1	A+		A1	A-1	A+
	A	P-2	A2		A
	A-		A3	A-2	A-
F2	BBB+	P-3	Baa1	A3	BBB+
	BBB		Baa2		BBB
F3	BBB-		Baa3		BBB-

11.4 It is recommended that specified investments should only be placed with institutions that have a long term credit rating of at least A- from at least two rating agencies except enhanced money market funds and registered social landlords for which a single credit rating will be required.

11.5 Industry practice is for enhanced money market funds to have a single credit rating, but such funds are well diversified. The Council will only invest in enhanced money market funds with a credit rating of at least AA-. These funds will be treated as category 6 (A+) (see paragraph 10.17) investments to reflect the increased risk of relying on a single credit rating (as opposed to category 4 if two ratings had been obtained).

11.6 Most registered social landlords (RSLs) are only rated by a single agency. However RSLs are regulated by the Homes and Communities Agency (HCA) which rates the financial viability of RSLs. Investments will only be placed with RSLs that have a financial viability rating of V1 from the HCA.

- 11.7 In addition to rating financial institutions the rating agencies also rate governments. These are known as sovereign credit ratings. The evolving regulatory environment, in tandem with the rating agencies' new methodologies also means that sovereign ratings are now of lesser importance in the assessment process with the new regulatory environment attempting to break the link between sovereign support and domestic financial institutions. However sovereign credit ratings are also dependent on a government's ability to raise taxes and thus also give an indication of the state of a nation's general economy. Investments will only be placed with institutions based in either the United Kingdom or states with an AA credit rating.
- 11.8 When an institution or state has differing ratings from different agencies, the average rating will be used to assess its suitability. Those institutions that have not been rated by a particular agency will not be discarded because of the lack of ratings.
- 11.9 It is proposed that investments be allowed in government bodies, banks including supranational banks, building societies, money market funds, enhanced money market funds, RSLs, universities and corporate bonds that meet the Council's investment criteria.
- 11.10 Money market funds are well diversified funds that invest in high quality very short term instruments enabling investors to have instant access to their funds. These funds do have a low level of volatility in their net asset value which could theoretically result in a small loss of capital. Enhanced money market funds, also known as short dated investment funds, are also well diversified funds investing in high quality counter parties, but for longer periods, and require a few days' notice of withdrawals. Industry practice is for enhanced money market funds to have a single credit rating. Although there may be small variations in the net asset value, the Government has made regulations that prevent variations in the value of pooled funds, including money market funds, from being charged to revenue prior to such investments being disposed of.
- 11.11 Corporate bonds are tradable loan instruments issued by commercial companies. Credit ratings measure the risk of default, ie. the risk of not receiving principal and interest when it is due, across these institutions in a way that allows them to be compared. However, other measures of credit risk such as CDS prices are not available for all institutions including most building societies, RSLs, universities and commercial companies.

11.12 There are over 30 registered social landlords (RSLs) with a single or double A credit rating. RSLs often have a single credit rating from one agency, but are subject to Government regulation. The Homes and Communities Agency (HCA) assigns a viability rating to larger RSLs with in excess of 1,000 dwellings as follows:

V1 - the RSL meets the HCA's financial viability standard and has the capacity to mitigate its exposures effectively

V2 - the RSL meets the HCA's viability requirements but need to manage material financial exposures to support continued compliance

V3 - the RSL does not meet the HCA's viability requirements. There are issues of serious regulatory concern and in agreement with the HCA; the RSL is working to improve its position

V4 - the RSL does not meet the HCA's viability requirements. There are issues of serious regulatory concern and the RSL is subject to regulatory intervention or enforcement action

However an RSL's debts are not guaranteed by the Government.

11.13 Building societies also operate under a separate legal regime to banks, which limits the amount of lending not secured on residential property and limits the amount of wholesale funding. When a building society has got into financial difficulties in the past it has always been taken over by another building society without its creditors losing any of their money. For these reasons building societies are placed in a category one notch above other institutions with the same credit rating.

11.14 Lending to universities will be permitted. A number of universities have credit ratings and are as secure as a commercial company with a similar credit rating.

11.15 The Council's direct investments will be limited to senior debt. Subordinated corporate bonds are sometimes issued by financial institutions and commercial companies. Subordinated corporate bonds offer higher yields, but in the event of an institution defaulting, senior debtors are repaid before subordinated debtors. Because of this, subordinated bonds often have a lower credit rating than senior debt issued by the same institution.

- 11.16 There are structured investment products available that pay enhanced returns provided that neither of the specified stock market indices such as the FTSE 100 and Eurostoxx 50 decline by more than 50% over 6 years and repay the capital invested if the worst performing index does not fall by more than 60%. The Director of Finance and Information Technology (Section 151 Officer) may invest the Council's funds in structured investment products which follow the developed stock markets or other financial markets that do not fully protect the Council's capital invested. These products are effectively bank deposits where the return is determined by stock market performance. As such they are subject to credit risk if the issuer defaults. Variations in the market value of some structured investment products will be credited or debited to General Fund balances under new accounting standards. The Government has not made regulations to prevent the General Fund balances being affected by variations in the market value of these investments.

11.17 The approved counter parties for specified investments are divided into eight categories as follows:

	Maximum Investment in a Single Organisation
<u>Category 1</u> United Kingdom Government including the Debt Management Office Deposit Facility	Unlimited investments for up to 6 years
<u>Category 2</u> Local authorities in England, Scotland and Wales	£30m for up to 6 years
<u>Category 3</u> RSLs with a single long term credit rating of Aa-	£30m for up to 10 years
<u>Category 4</u> Banks, corporate bonds and universities with a short term credit rating of F1+ and a long term rating of AA-. Building societies with a short term credit rating of F1 and a long term rating of A+. Aaa rated money market funds	£26m for up to 6 years
<u>Category 5</u> RSLs with a single long term credit rating of A-	£20m for up 10 years
<u>Category 6</u> Banks, corporate bonds and universities with a short term credit rating of F1 and a long term rating of A+. Building societies with a short term credit rating of F1 and a long term rating of A. Enhanced money market funds with a single AA credit rating	£20m for up to 6 years.
<u>Category 7</u> Banks, corporate bonds and universities with a short term credit rating of F1 and a long term rating of A. Building societies with a short term credit rating of F1 and a long term rating of A-.	£15m for up to 6 years
<u>Category 8</u> Banks, corporate bonds and universities with a short term credit rating of F1 and a long term rating of A-.	£10m for up to 6 years

- 11.18 A list of financial institutions currently meeting the Council's investment criteria is contained in Appendix F. There are too many RSLs, universities and companies issuing corporate bonds to include in the list.
- 11.19 Investing in counter parties that do not meet the Council's credit criteria if the investment is secured against assets that do meet the Council's investment criteria will increase the number of counter parties the Council can invest in and may increase investment returns. Although this will increase the risk of defaults, it should not increase the risk of investment losses provided that the contracts are properly drawn up and the assets offered as security pass to the Council.
- 11.20 Sometimes institutions issue covered bonds which are secured against assets held by that institution. These assets may be loans that the institution has made to local authorities or loans made to other financial institutions that have a higher credit rating. If the institution that issued the covered bond defaults the specified assets will pass to the City Council. Investments will be permitted in covered bonds that are secured against local authority debt or covered bonds that have a credit rating that meets the Council's investment criteria even if the counter party itself does not meet the Council's credit criteria.
- 11.21 Repo / reverse repo is accepted as a form of collateralised lending and should be based on the GMRA 2000 (Global Master Repo Agreement). A repo is a form of secured borrowing where readily saleable collateral, normally gilts or treasury bills are placed with the lender. If the borrower fails to repay the loan the lender keeps the collateral that has been deposited. A reverse repo is the equivalent form of secured lending. Therefore whilst the borrower would have a repo, the Council would have a reverse repo. Should the counter party not meet our senior unsecured rating then a 102% collateralisation would be required. The acceptable collateral is as follows:
- Index linked gilts
 - Conventional gilts
 - UK treasury bills
- 11.22 Credit ratings be reviewed weekly and that any institution whose lowest credit rating falls below the criteria for category 8 in paragraph 10.16 be removed from the list of specified investments.
- 11.23 Institutions that are placed on negative watch or negative outlook by the credit rating agencies will be reassigned to a lower category.

12. NON-SPECIFIED INVESTMENTS

- 12.1 The Government's Guidance requires that other less secure types of investment be identified and that a limit be set on the overall amount that may be held in such investments at any time in the year. Non-specified investments are investments that are not secure, ie. do not have an "A" credit rating or are not liquid, ie. have a maturity in excess of 365 days. Investments that are not denominated in sterling would also be non-specified investments due to exchange rate risks.
- 12.2 In order to reduce the risks associated with placing funds with a relatively small number of counter parties and to improve returns further investment categories have been established for non-specified investments that do not meet the criteria for specified investments.

Category 9 - £50m

Category 9 will consist of investments in pooled investment vehicles including equity funds, property funds, and multi asset funds.

These investment vehicles have the potential to generate returns in excess of inflation and thus maintain the value of the principal invested in real terms. The Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Local Authority Accounting requires movements in the market value of pooled investments to be charged to General Fund balances after a statutory transition period of 5 years.

Category 10 - £30m

Category 10 will consist of investments in subsidiary companies. In particular, funds could be invested to facilitate the establishment of a subsidiary company to develop housing in the greater Portsmouth area on a commercial basis.

Category 11 - £11m for 2 years

Short Term – F2 (or equivalent from Fitch, Moody's and Standard & Poor)
Long Term – BBB or better (or equivalent from Fitch, Moody's and Standard and Poor)

Category 11 will consist of rated building societies that meet these criteria.

Category 12 - £7m for 365 days

Short Term – F2 (or equivalent from Fitch, Moody's and Standard & Poor)
Long Term – BBB+ or better (or equivalent from Fitch, Moody's and Standard and Poor)

Investing up to 365 days in investments with a long term credit rating of BBB+ / Baa1 and a short term credit rating of at least F2 / P-3 / A3 would diversify the portfolio by enabling investments to be made in more commercial companies such as British Telecom. The risk of an investment defaulting is driven by the credit quality of the investment counter party and the duration of the investment, ie. the amount of time that credit quality can deteriorate over. An investment counter party rated BBB+ is more likely to default than an investment counter party rated A-. However an 18 month investment is more likely to default than a 12 month investment. Therefore a 12 month investment rated BBB+ can offer a lower probability of default than an 18 month investment rated A-. Therefore investing up to 365 days in investments rated BBB+ would diversify the portfolio by enabling investments to be made in more commercial companies without increasing the risk of default. Category 11 will consist of institutions that meet the above criteria.

Category 13 - £8m

Long Term – BBB or better (or equivalent from Fitch, Moody's and Standard and Poor)

Further diversification could be achieved by investment in a corporate bond fund. Investing in a corporate bond fund where the average credit rating of the underlying investments is BBB+. Such funds could include underlying investments with BBB- credit ratings although each investment would amount to no more than 4% of the fund. If one of the underlying investments did default the Council's holding in the fund could be worth less than what it paid into the fund, ie. the Council could make a loss. It is therefore recommended that total investments in such funds will be restricted to £8m.

Category 13 will consist of corporate bonds bought on the Council's behalf by professional fund managers who will target an average credit rating of at least BBB+ for the corporate bond fund. The average credit rating of the corporate bond fund may fall to BBB if there was a downgrade to a single issue or a broad downgrade. We would not want the fund manager to be a forced seller in this situation. If this situation arises a strategy will be agreed with the fund manager to return the average rating of the portfolio to BBB+.

Category 14 - £6m for 2 years

Many smaller building societies that have been more conservative in their lending approach do not have credit ratings. An analysis of building society accounts suggests that many of those without credit ratings are in a better financial position than some of the larger ones who do hold credit ratings.

Category 14 consists of the unrated building societies in the strongest financial position.

The limits on these building societies are less than £6m to take account of their small size in terms of assets.

Stronger Unrated Building Societies	
Building Society	Limit
Newcastle	£6.0m
Progressive	£6.0m
Leek United	£5.2m
Ipswich	£3.2m
Marsden	£2.4m
Melton Mowbray	£2.3m
Market Harborough	£2.1m
Scottish	£2.1m
Hanley Economic	£2.0m
Dudley	£2.0m
Tipton & Coseley	£1.8m

Category 15 - £6m for 365 days

Category 15 consists of the unrated building societies that are in a strong financial position.

The limits on some building societies are less than £6m to take account of their small size in terms of assets.

Unrated Building Societies in a Strong Financial Condition	
Building Society	Limit
Cumberland	£6.0m
The Family	£6.0m
Saffron*	£5.1m
Newbury	£5.0m
Furness	£4.5m
Hinkley & Rugby	£3.7m
Darlington #	£2.9m

* Saffron Building Society

In 2018/19 Saffron Building Society was placed in category 14 (formerly category 13) amongst the strongest unrated building societies.

The total assets of the Building Society have since fallen by £94m from £1,114m to £1,020m. This is a result of a decision by the Building Society to use some of its assets to upgrade its IT systems. The lending limits for unrated building societies are set at 0.5% of total assets. As a result of this the lending limit for the Building Society has been reduced by £0.5m from £5.6m to £5.1m. As a consequence of this the revised limit for Saffron Building Society has been exceeded by £0.5m. This situation will persist until 16 April 2019 when a £2.8m loan matures.

As the total assets of the Building Society have decreased, the percentage of total assets that are liquid has fallen by 6.97% from 22.40% to 15.43% which is inconsistent with a category 14 counter party considered suitable for investments of up to 2 years duration. Consequently the Building Society has been reassigned to category 14 which is only considered suitable for investments of up to 365 days. On 6 April 2018 the City Council invested £2.8m with the Building Society for 2 years.

Darlington Building Society

In 2018/19 Darlington Building Society was placed in category 14 (formerly category 13) amongst the strongest unrated building societies.

The liquid assets ratio of the Building Society has fallen by 4.65% from 20.77% to 16.12%. This is a result of a decision by the management of the Building Society to management down its liquidity in order to improve efficiency. As the minimum liquid asset ratio for category 14 has been set at 16.48% the Building Society has been downgraded to category 15. The effect of this is to reduce the maximum term for future investments from 2 years to 365 days. On 23 April 2018 the City Council invested £1.2m with the Building Society for 2 years.

Monmouthshire Building Society

In 2018/19 Monmouthshire met the criteria to be placed in category 14 (formerly category 13) and was eligible for the Council to invest in.

Building societies have reduced their dependence on wholesale funding overall. Monmouthshire Building Society has also reduced its dependence on wholesale funding, but by less than the average for building societies. As the Building Society is no longer in line with its peers, the Council will not place any further investments with this building society. The Council currently has £5.3m invested with the Building Society which matures on 12 April 2019.

Category 16 - £10m for up to 10 years

Purchasing bonds in Hampshire Community Bnk (HCB) would contribute to the regeneration of Hampshire and offer interest of up to 3.5%. Investing in HCB carries greater risk than the other approved investments contained in the Council's Annual Investment Strategy as HCB is a new entity that is in the process of developing its business, and currently has neither a banking license nor a credit rating. However HCB will be able to offer assets as security to cover a corporate bond. These assets would consist of good performing loans secured against tangible assets. The loan assets offered as security would pass to the Council in the event of HCB defaulting.

Category 15 will consist of bonds issued by Hampshire Community Bnk secured against good quality assets owned by the bank.

12.3 Money Lodged on Behalf of MMD (Shipping Services) Ltd

The Council's treasury management operation is exposed to the Council's subsidiary company MMD (Shipping Services) Ltd. The Council has £550,000 lodged with Lloyds Bank to guarantee MMD's banking limits.

12.4 Contracts Denominated in Foreign Currencies

The Council sometimes enters into contracts denominated in foreign currencies. Such contracts normally relate to civil engineering schemes at the port. It can be beneficial to buy Euros early to fund these projects and avoid the associated currency risk.

12.5 Limit on Non Specified Investments

Non-specified investments will in aggregate be limited to the following:

	£
Pooled investment funds	50m
Building societies with a BBB credit rating and unrated building societies	77m
Corporate bonds with a BBB+ credit rating	32m
Externally managed corporate bond funds with an average credit rating of BBB	8m
Investments in subsidiary companies including funds lodged to guarantee the banking limits of MMD (Shipping Services) Ltd.	30m
Long term investments	264m
Investments in foreign currencies to hedge against contracts priced or indexed against foreign currencies	4m
Hampshire Community Bnk bonds	10m
Total	475m

13. MAXIMUM LEVEL OF INVESTMENT IN INDIVIDUAL ORGANISATIONS

13.1 The Government's Guidance does not require a limit to be placed on the amount that can be placed in any one investment. However in order to minimise risk further, the total amount that can be directly invested with any organisation at any time will be limited as follows:

	Maximum Investment in Single Organisation
Category 1	Unlimited
Category 2	£30m for up to 6 years
Category 3	£30m for up to 10 years
Category 4	£26m for up to 6 years
Category 5	£20m for up to 10 years
Category 6	£20m for up to 6 years
Category 7	£15m for up to 6 years
Category 8	£10m for up to 6 years
Category 9	£50m with an indefinite duration (although these investments may be sold)
Category 10	£30m with an indefinite duration
Category 11	£10m for up to 2 years
Category 12	£7m for up to 365 days
Category 13	£8m with an indefinite duration (although these investments may be sold)
Category 14	£6m for up to 2 years
Category 15	£6m for up to 365 days
Category 16	£10m for 10 years

- 13.2 AA money market funds offer security and same day access. By aggregating investments they can also invest in financial institutions that may not be interested in the relatively small sums that the Council can invest. Although AA money market funds are well diversified in their investments, there is a risk that more than one fund could have investments with the same bank or that the Council may also have invested funds in the same bank as a money market fund. Therefore it is proposed that the Council should aim to have no more than £80m invested in money market funds.
- 13.3 Most building society lending is secured against residential properties. If property prices fall there may be inadequate security to support building societies lending giving rise to a systemic risk.
- 13.4 As RSL's offer one principal service and their assets principally consist of residential properties, excessive investments in RSLs would also expose the Council to a systemic risk.
- 13.5 Excessive investments in investment products tracking equity, property or other markets could also expose the Council to a systemic risk.
- 13.6 In order to minimise systemic credit risk in any sector the following limits will be applied:

Money market funds	£80m
Building societies	£155m
Registered Social Landlords	£80m
Investments tracking the equity, property or other markets	£70m

- 13.7 In order to minimise systemic credit risk in any region it is recommended that the following limits be applied to the geographic areas where investments can be made in foreign countries.

13.8 The following limits be applied:

Asia & Australia	£80m
Americas	£80m
Eurozone	£60m
Continental Europe outside the Eurozone	£60m

13.9 The limits above only apply to direct investments. The City Council's exposure to any institution, sector or region may exceed the limits stated above through indirect investments via money market funds. Money market funds employ specialist staff to assess counter party risks and all investments made by money market funds are short-term.

14. LIQUIDITY OF INVESTMENTS

14.1 The Council's cash flow forecast for the current year is updated daily. In addition, the Council maintains a long term cash flow forecast that extends to 2037/38. These forecast are used to determine the maximum period for which funds may be prudently committed, ie. the City Council's core cash. The City Council maintains at least £10m invested on an instant access basis to ensure that unforeseen cash flows can be financed.

15. INVESTMENT OF MONEY BORROWED IN ADVANCE OF NEED

15.1 Section 12 of the Local Government Act 2003 gives a local authority the power to invest for "any purpose relevant to its functions under any enactment or for the prudent management of its financial affairs". While the speculative procedure of borrowing purely to invest at a profit is clearly unlawful, there is no legal obstacle to the temporary investment of funds borrowed for the purpose of funding capital expenditure incurred in the reasonably near future.

15.2 Borrowing in advance of need may enable the City Council to obtain cheaper loans than those available at the time when expenditure is incurred, although the consequent investment of funds borrowed in advance of need does expose the City Council to credit risk. The interest payable on funds borrowed in advance of need is likely to exceed the interest earned on the investment of those funds in the current economic climate. The Council may determine to borrow in advance of need in circumstances where it is reasonably expected that the total cost of borrowing over the whole life of the loan in present value terms is lower by borrowing in advance of need.

- 15.3 The Council's gross debt exceeded its CFR by £55m, ie. it was over borrowed, at 31 March 2018, but is expected to fall below its CFR by the end of 2018/19 leaving the Council under borrowed.

16. TRAINING OF INVESTMENT STAFF

- 16.1 The Finance Manager (Technical & Financial Planning) manages the treasury function and is a qualified Chartered Public Finance Accountant and holds the Association of Corporate Treasurers Certificate in Treasury Management. The Finance Manager (Technical & Financial Planning) is assisted by the Treasury Manager who is a qualified Chartered Certified Accountant and also holds the Association of Corporate Treasurers Certificate in Treasury Management. The City Council is also a member of CIPFA's Treasury Management Network which provides training events throughout the year. Additional training for investment staff is provided as required.

17. DELEGATED POWERS

- 17.1 Once the Treasury Policy has been approved, the Director of Finance and Information Technology (Section 151 Officer) has delegated powers under the constitution of the City Council, to make all executive decisions on borrowing, investments or financing.

It is recommended that Chief Executive, the Leader of the City Council and the Chair of the Governance and Audit and Standards Committee be informed of any variances from the Treasury Management Policy when they become apparent, and that the Leader of the City Council be consulted on remedial action (**recommendation 3.1(d)** of the Treasury Management Policy Report considered by the Cabinet on 12 March 2019 and the City Council on 19 March 2019).

18. TREASURY SYSTEMS AND DOCUMENTATION

- 18.1 Once the Policy Statement has been approved by the Council, the documentation of the Treasury Systems will be updated so that all employees involved in Treasury Management are clear on the procedures to be followed and the limits applied to their particular activities.

18.2 The Treasury Management Practices document covers the following topics: -

- risk management
- performance measurement
- decision making and analysis
- approved instruments, methods and techniques
- organisation, clarity and segregation of responsibilities, and dealing arrangements
- reporting requirements and management information arrangements
- budgeting, accounting and audit arrangements
- cash and cash flow management
- money laundering
- training and qualifications
- use of external service providers
- corporate governance

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RISK APPETITE STATEMENTS

The following risk appetite statements are contained in the Capital Strategy subject to approval by the Cabinet and the City Council.

Borrowing Risk Appetite

It is often possible to borrow money short term at lower rates than it is possible to borrow long term. This often leaves the Council with two choices:

- To borrow short term or at variable interest rates. This would often enable the Council to borrow relatively cheaply, but the Council would need to accept that its borrowing costs may be volatile, as it exposes the Council to the benefits and dis-benefits of interest rate movements that can give rise to budget variances. This is a major risk when interest rates are expected to increase.
- To borrow long term at fixed rates. This will provide stable and predictable revenue costs of borrowing, but may be dearer than short term or variable loans. Fixed interest rates avoid the risk of budget variances caused by interest rate movements but prevent the council from benefiting from falling interest rates on its borrowing or rising interest rates on its investments. There is a risk that the Council could become locked into relatively high rates of interest if interest rates fall.

The Council attaches a high priority to a stable and predictable revenue cost of borrowing in the long term. This reflects the fact that debt servicing represents a significant cost to the Council's net revenue budget.

It is the Council's objective in relation to debt to borrow as cheaply as possible for the long-term at a fixed rate

This means that the Council is not totally risk averse, and the Council may borrow either short term or at variable rates if interest rates are expected to fall. Treasury management staff have the capability and flexibility to actively manage treasury risks within the scope of the Council's treasury management policy and strategy.

Risk Appetite Statement for Investing Surplus Cash

Sums are invested with a diversified range of counter parties using the maximum range of instruments consistent with a low risk of the capital sum being diminished through movements in prices.

This means that the Council is not totally risk averse. Treasury management staff have the capability to actively manage treasury risks within the scope of the Council's treasury management policy and strategy.

In particular when investing surplus cash, the Council will not necessarily limit itself to making deposits with the UK Government and local authorities, but may invest in other bodies including unrated building societies, RSLs, universities and corporate bonds. The Council may invest surplus funds through tradable instruments such as treasury bills, gilts, certificates of deposit, corporate bonds, covered bonds and repos / reverse repos. The duration of such investments will be limited so that they do not have to be sold (although they may be) prior to maturity thus avoiding the risk of the capital sum being diminished through movements in prices.

The Council will invest its surplus cash to provide sufficient liquidity to meet its cash flow needs, but is mindful that the value of its investments will fall in real terms unless investment returns are at least equal to inflation. In order to earn investment returns in excess of inflation on as much of its surplus cash as possible, the Council will invest as much as it can in longer term higher yielding investments whilst maintaining sufficient liquidity to meet its cash flow needs.

The Council may invest in lower risk structured investment products that follow the developed equity markets where movements in prices may diminish the capital sum invested. These investments, and indeed any other investment, could also be diminished if the counter party defaults. Although the Council only invests in counter parties offering good credit quality, the credit quality of an investment counter party can decline during the life of the investment. This is particularly the case with long term investments.

The Council may invest in externally managed pooled investment vehicles such as corporate bond funds, equity funds, property funds and multi asset funds. The Government has made regulations that will prevent fluctuations on the capital value of these funds from impacting on the General Fund prior to disposal for at least 5 years. Fluctuations in the capital value of these funds will impact on the General Fund in 5 year's time unless the regulations are extended.

BACKGROUND INFORMATION AND RISKS TO INTEREST RATE FORECASTS

GLOBAL OUTLOOK. World growth has been doing reasonably well, aided by strong growth in the US. However, US growth is likely to fall back in 2019 and, together with weakening economic activity in China and the Euro zone, overall world growth is likely to weaken.

Inflation has been weak during 2018 but, at long last, unemployment falling to remarkably low levels in the US and UK has led to a marked acceleration of wage inflation. The US Fed has therefore increased rates nine times and the Bank of England twice. However, the ECB is now probably unlikely to make a start on raising rates in 2019.

KEY RISKS - central bank monetary policy measures

Looking back on more than ten years since the financial crash of 2008 when liquidity suddenly dried up in financial markets, it can be assessed that central banks' monetary policy measures to counter the sharp world recession were successful. The key monetary policy measures they used were a combination of lowering central interest rates and flooding financial markets with liquidity, particularly through unconventional means such as quantitative easing (QE), where central banks bought large amounts of central government debt and smaller sums of other debt.

The key issue now is that the period of stimulating economic recovery and warding off the threat of deflation, is coming towards its close. A new period has already started in the US, and more recently in the UK, of reversing those measures i.e. by raising central rates and, (for the US), reducing central banks' holdings of government and other debt. These measures are now required in order to stop the trend of a reduction in spare capacity in the economy, and of unemployment falling to such low levels that the re-emergence of inflation is viewed as a major risk. It is, therefore, crucial that central banks get their timing right and do not cause shocks to market expectations that could destabilise financial markets. In particular, a key risk is that because QE-driven purchases of bonds drove up the price of government debt, and therefore caused a sharp drop in income yields, this also encouraged investors into a search for yield and into investing in riskier assets such as equities. Consequently, prices in both bond and equity markets rose to historically high valuation levels simultaneously. This now means that both asset categories were exposed to a sharp downward correction and we did, indeed, see a sharp fall in equity values in the last quarter of 2018 and into early 2019. It is important, therefore, that central banks only gradually unwind their holdings of bonds in order to prevent destabilising the financial markets. It is also likely that the timeframe for central banks unwinding their holdings of QE debt purchases will be over several years. They need to balance their timing to neither squash economic recovery, by taking too rapid and too strong action, or, conversely, let inflation run away by taking action that was too slow and/or too weak. The potential for central banks to get this timing and strength of action wrong are now key risks. It is particularly notable that, at its 30 January 2019 meeting, the Federal Reserve

dropped its previous words around expecting further increases in interest rates; it merely said it would be “patient”.

The world economy also needs to adjust to a sharp change in **liquidity creation** over the last five years where the US has moved from boosting liquidity by QE purchases, to reducing its holdings of debt, (currently about \$50bn per month). In addition, the European Central Bank ended its QE purchases in December 2018.

UK. 2018 was a year which started with weak growth of only 0.1% in quarter 1. However, quarter 2 rebounded to 0.4% in quarter 2 followed by quarter 3 being exceptionally strong at +0.6%. Quarter 4 though, was depressed by the cumulative weight of Brexit uncertainty and came in at only +0.2%, (1.3% y/y). Growth is likely to continue being weak until the Brexit issues are resolved.

The MPC has stated that future Bank Rate increases would be gradual and would rise to a much lower equilibrium rate, (where monetary policy is neither expansionary or contractionary), than before the crash; indeed they have given a figure for this of around 2.5% in ten years' time but have declined to give a medium term forecast. However, with so much uncertainty around Brexit, the next move could be up or down, even if there was a disorderly Brexit. While it would be expected that Bank Rate could be cut if there was a significant fall in GDP growth as a result of a disorderly Brexit, so as to provide a stimulus to growth, the MPC could also raise Bank Rate in the same scenario if there was a boost to inflation from increases in import prices, devaluation of sterling, and more expensive goods produced in the UK replacing cheaper goods previously imported, and so on. In addition, the Chancellor could provide fiscal stimulus to boost growth.

Inflation. The Consumer Price Index (CPI) measure of inflation has been falling from a peak of 3.1% in November 2017 to 1.8% in January 2019. In the February Bank of England quarterly Inflation Report, inflation was forecast to still be marginally above its 2% inflation target two years ahead given a scenario of minimal increases in Bank Rate.

The **labour market** figures in November were particularly strong with an emphatic increase in total employment of 141,000 over the previous three months, unemployment at 4.0%, a 43 year low on the Independent Labour Organisation measure, and job vacancies hitting an all-time high, indicating that employers are having major difficulties filling job vacancies with suitable staff. It was therefore unsurprising that wage inflation continued at its high point of 3.3%, (3 month average regular pay, excluding bonuses). This means that in real terms, (i.e. wage rates less CPI inflation), earnings are currently growing by about 1.2%, the highest level since 2009. This increase in household spending power is likely to feed through into providing some support to the overall rate of economic growth in the coming months. This tends to confirm that the MPC was right to start on a cautious increase in Bank Rate in August as it views wage inflation in excess of 3% as increasing inflationary pressures within the UK economy.

USA. President Trump's massive easing of fiscal policy is fuelling a (temporary) boost in consumption which has generated an upturn in the rate of strong growth which rose from 2.2% (annualised rate) in quarter 1 to 4.2% in quarter 2 and 3.5%, (3.0% y/y), in quarter 3, but also an upturn in inflationary pressures. The strong growth in employment numbers and an unemployment rate of 4.0%, near to a recent 49 year low, has fed through to an upturn in wage inflation which hit 3.2% in December. However, CPI inflation overall fell to 1.9% in December and looks to be on a falling trend to continue below the Federal Reserve's target of 2% during 2019. The Federal Reserve has continued on its series of increases in interest rates with another 0.25% increase in December to between 2.25% and 2.50%, which was the fifth increase in 2018 and the ninth in this cycle. However, they dropped any specific reference to expecting further increases at their January 30 meeting. The last increase in December compounded investor fears that the Federal Reserve could overdo the speed and level of increases in rates in 2019 and so cause a US recession as a result. There is also much evidence in previous monetary policy cycles of the Federal Reserve's series of increases doing exactly that. Consequently, we have seen stock markets around the world falling under the weight of fears around the Federal Reserve's actions, the trade war between the US and China and an expectation that world growth will slow. Since the more reassuring words of the Federal Reserve in January, equity values have recovered somewhat.

The tariff war between the US and China generated a lot of heat during 2018; it could significantly damage world growth if an agreement is not reached during the current three month truce declared by President Trump to hold off from further tariff increases.

Eurozone. Growth was 0.4% in quarters 1 and 2 but fell back to 0.2% in quarters 3 and 4 (1.2% y/y). Germany only narrowly avoided slipping into recession in quarter 4 whereas Italy did slip into recession. The trend of economic statistics is now indicating that growth is likely to weaken further in 2019. This will make it difficult for the European Central Bank (ECB) to make any start on increasing rates until 2020 at the earliest. Indeed, the issue now is rather whether the ECB will have to resort to new measures to boost liquidity in the economy in order to support growth. Having halved its quantitative easing purchases of debt in October 2018 to €15bn per month, the European Central Bank ended all further purchases in December 2018. In its January meeting, it made a point of underlining that it will be fully reinvesting all maturing debt for an extended period of time past the date at which it starts raising the key ECB interest rates.

China. Economic growth has been weakening over successive years, despite repeated rounds of central bank stimulus; medium term risks are increasing. Major progress still needs to be made to eliminate excess industrial capacity and the stock of unsold property, and to address the level of non-performing loans in the banking and credit systems. Progress has been made in reducing the rate of credit creation, particularly from the shadow banking sector, which is feeding through into lower economic growth. There are concerns that official economic statistics are inflating the published rate of growth.

Japan - has been struggling to stimulate consistent significant GDP growth and to get inflation up to its target of 2%, despite huge monetary and fiscal stimulus. It is also making little progress on fundamental reform of the economy. It is likely that loose monetary policy will endure for some years yet to try to stimulate growth and modest inflation.

Emerging countries. Argentina and Turkey are currently experiencing major headwinds and are facing challenges in external financing requirements well in excess of their reserves of foreign exchange. However, these countries are small in terms of the overall world economy, (around 1% each), so the fallout from the expected recessions in these countries will be minimal.

INTEREST RATE FORECASTS

The interest rate forecasts provided by Link Asset Services in paragraph 4.3.1 are predicated on an assumption of an agreement being reached on Brexit between the UK and the EU. On this basis, while GDP growth is likely to be subdued in 2019 due to all the uncertainties around Brexit depressing consumer and business confidence, an agreement is likely to lead to a boost to the rate of growth in subsequent years which could, in turn, increase inflationary pressures in the economy and so cause the Bank of England to resume a series of gentle increases in Bank Rate. Just how fast, and how far, those increases will occur and rise to, will be data dependent. The forecasts in this report assume a modest recovery in the rate and timing of stronger growth and in the corresponding response by the Bank in raising rates.

- In the event of an **orderly non-agreement exit**, it is likely that the Bank of England would take action to cut Bank Rate from 0.75% in order to help economic growth deal with the adverse effects of this situation. This is also likely to cause short to medium term gilt yields to fall.
- If there was a **disorderly Brexit**, then any cut in Bank Rate would be likely to last for a longer period and also depress short and medium gilt yields correspondingly. Quantitative easing could also be restarted by the Bank of England. It is also possible that the government could act to protect economic growth by implementing fiscal stimulus.

However, there would appear to be a majority consensus in the Commons against any form of non-agreement exit so the chance of this occurring has now substantially diminished.

The balance of risks to the UK

The overall balance of risks to economic growth in the UK is probably neutral.

The balance of risks to increases in Bank Rate and shorter term PWLB rates, are probably also even and are broadly dependent on how strong GDP growth turns out, how slowly inflation pressures subside, and how quickly the Brexit negotiations move forward positively.

One risk that is both an upside and downside risk, is that all central banks are now working in very different economic conditions than before the 2008 financial crash as there has been a major increase in consumer and other debt due to the exceptionally low levels of borrowing rates that have prevailed for ten years since 2008. This means that the neutral rate of interest in an economy, (i.e. the rate that is neither expansionary nor deflationary), is difficult to determine definitively in this new environment, although central banks have made statements that they expect it to be much lower than before 2008. Central banks could therefore either over or under do increases in central interest rates.

Downside risks to current forecasts for UK gilt yields and PWLB rates currently include:

- **Brexit** – if it were to cause significant economic disruption and a major downturn in the rate of growth.
- **Bank of England** takes action too quickly, or too far, over the next three years to raise Bank Rate and causes UK economic growth, and increases in inflation, to be weaker than currently anticipated.
- A resurgence of the **Eurozone sovereign debt crisis**, possibly in **Italy**, due to its high level of government debt, low rate of economic growth and vulnerable banking system, and due to the election in March 2018 of a government which has made a lot of anti-austerity noise. The EU rejected the original proposed Italian budget and demanded cuts in government spending. The Italian government nominally complied with this rebuttal – but only by delaying into a later year the planned increases in expenditure. The rating agencies have downgraded Italian debt to one notch above junk level. If Italian debt were to fall below investment grade, many investors would be unable to hold Italian debt. Unsurprisingly, investors are becoming increasingly concerned by the actions of the Italian government and consequently, Italian bond yields have risen sharply – at a time when the government faces having to refinance large amounts of debt maturing in 2019.
- Weak capitalisation of some **European banks**. Italian banks are particularly vulnerable; one factor is that they hold a high level of Italian government debt - debt which is falling in value. This is therefore undermining their capital ratios and raises the question of whether they will need to raise fresh capital to plug the gap.

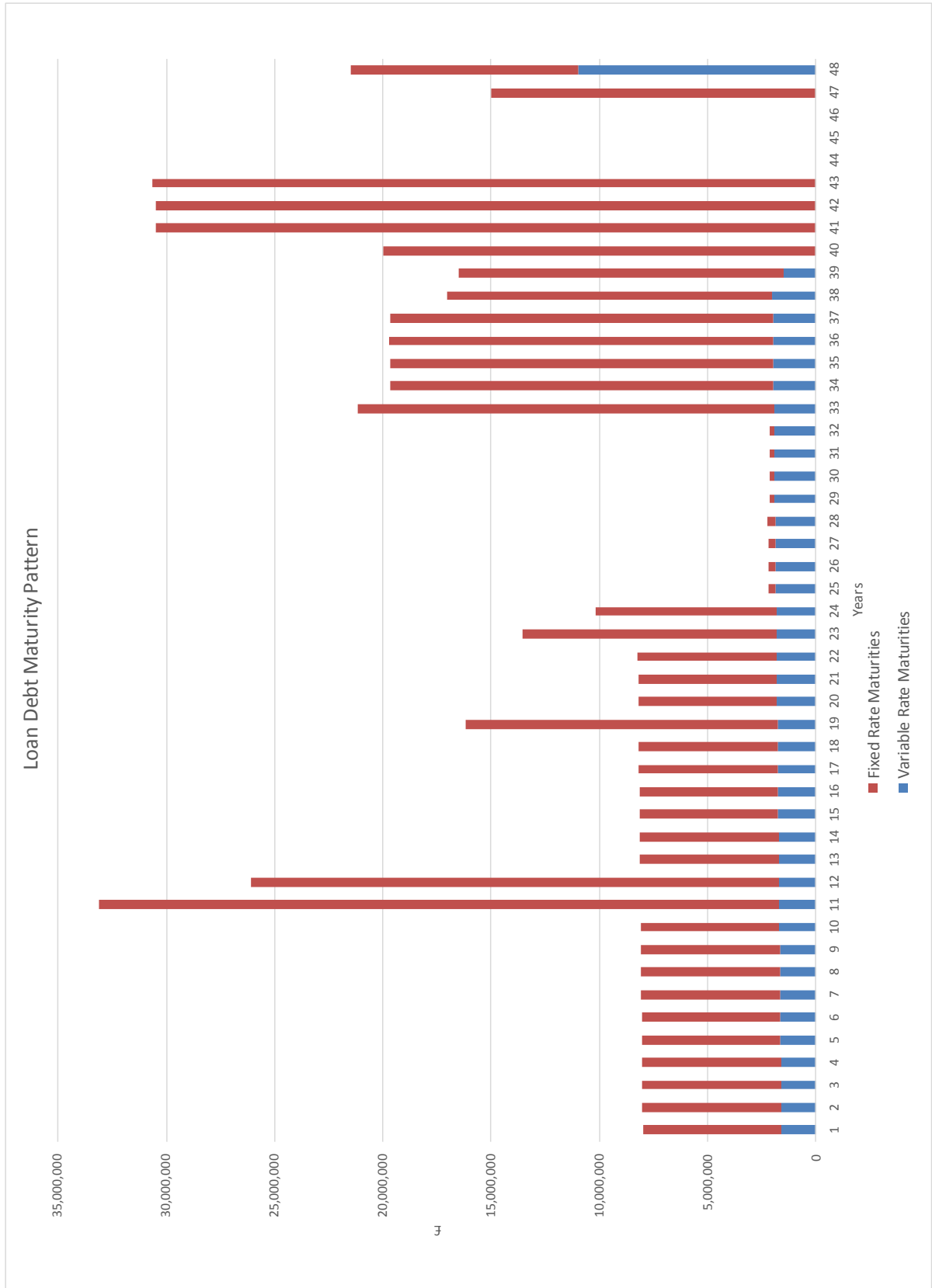
- **German minority government.** In the German general election of September 2017, Angela Merkel's CDU party was left in a vulnerable minority position dependent on the fractious support of the SPD party, as a result of the rise in popularity of the anti-immigration AfD party. Then in October 2018, the results of the Bavarian and Hesse state elections radically undermined the SPD party and showed a sharp fall in support for the CDU. As a result, the SPD had a major internal debate as to whether it could continue to support a coalition that is so damaging to its electoral popularity. After the result of the Hesse state election, Angela Merkel announced that she would not stand for re-election as CDU party leader at her party's convention in December 2018. However, this makes little practical difference as she has continued as Chancellor. However, there are five more state elections coming up in 2019 and EU parliamentary elections in May/June; these could result in a further loss of electoral support for both the CDU and SPD which could also undermine her leadership.
- **Other minority Eurozone governments.** Sweden, Spain, Portugal, Netherlands and Belgium all have vulnerable minority governments dependent on coalitions which could prove fragile. The Spanish government failed to pass a national budget in mid February so a snap general election is now scheduled for April 28.
- **Italy, Austria, the Czech Republic and Hungary** now form a strongly anti-immigration bloc within the EU. Elections to the EU parliament are due in May/June 2019.
- The increases in interest rates in the US during 2018, combined with a potential trade war between the USA and China, sparked major volatility in equity markets during the final quarter of 2018 and into 2019. Some **emerging market countries** which have borrowed heavily in dollar denominated debt, could be particularly exposed to investor flight from equities to safe havens, typically US treasuries, German bunds and UK gilts.
- There are concerns around the level of **US corporate debt** which has swollen massively during the period of low borrowing rates in order to finance mergers and acquisitions. This has resulted in the debt of many large corporations being downgraded to a BBB credit rating, close to junk status. Indeed, 48% of total investment grade corporate debt is now rated at BBB. If such corporations fail to generate profits and cash flow to reduce their debt levels as expected, this could tip their debt into junk ratings which will increase their cost of financing and further negatively impact profits and cash flow.
- **Geopolitical risks**, especially North Korea, but also in Europe and the Middle East, which could lead to increasing safe haven flows.

Upside risks to current forecasts for UK gilt yields and PWLB rates

- **Brexit** – if both sides were to agree a compromise that removed all threats of economic and political disruption.

- **The Federal Reserve causing a sudden shock in financial markets** through misjudging the pace and strength of increases in its Fed. Funds Rate and in the pace and strength of reversal of QE, which then leads to a fundamental reassessment by investors of the relative risks of holding bonds, as opposed to equities. This could lead to a major flight from bonds to equities and a sharp increase in bond yields in the US, which could then spill over into impacting bond yields around the world.
- The **Bank of England is too slow** in its pace and strength of increases in Bank Rate and, therefore, allows inflation pressures to build up too strongly within the UK economy, which then necessitates a later rapid series of increases in Bank Rate faster than we currently expect.
- **UK inflation**, whether domestically generated or imported, returning to sustained significantly higher levels causing an increase in the inflation premium inherent to gilt yields.

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TREASURY MANAGEMENT INDICATORS

Total Sums Invested for Periods Longer than 365 Days (paragraph 4.5 of Treasury Management Policy Statement)	
	£m
Actual sums invested for periods longer than 365 days at 31 March 2019	264
Estimated sums invested for periods longer than 365 days at 31 March 2020	205
Limits on total sums invested for periods longer than 365 days at 31 March 2021	144
Limits on total sums invested for periods longer than 365 days at 31 March 2022	117

Limits on the Maturity Structure of Fixed Rate Borrowing (paragraph 4.6 of Treasury Management Policy Statement)		
	Lower Limit	Upper Limit
Under 12 months	0%	10%
12 months and within 24 months	0%	10%
24 months and within 5 years	0%	10%
5 years and within 10 years	0%	20%
10 years and within 20 years	0%	30%
20 years and within 30 years	0%	30%
30 years and within 40 years	0%	40%
40 years and within 50 years	0%	40%

Limits on the Maturity Structure of Variable Rate Borrowing (paragraph 4.16 of Treasury Management Policy Statement)		
	Lower Limit	Upper Limit
Under 12 months	0%	10%
12 months and within 24 months	0%	10%
24 months and within 5 years	0%	10%
5 years and within 10 years	0%	20%
10 years and within 20 years	0%	30%
20 years and within 30 years	0%	30%
30 years and within 40 years	0%	30%
40 years and within 50 years	0%	30%

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DEFINITIONS OF LONG TERM CREDIT RATINGS

Credit ratings are issued by three main credit rating agencies, Fitch, Moody's and Standard & Poor. All three agencies use broadly the same scale. Fitch defines its long term ratings as follows:

AAA: Highest credit quality

"AAA" ratings denote the lowest expectation of default risk. They are assigned only in cases of exceptionally strong capacity for payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events.

AA: Very high credit quality

"AA" ratings denote expectations of very low default risk. They indicate very strong capacity for payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.

A: High Credit Quality

"A" ratings denote expectations of low default risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than in the case of the higher ratings.

BBB: Good credit quality

"BBB" ratings indicate that expectations of default risk are currently low. The capacity for payment of financial commitments is considered adequate but adverse business or economic conditions are more likely to impair this capacity.

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INSTITUTIONS MEETING INVESTMENT CRITERIA

Category	Counter Party	Average Long Term Credit Rating *	Comments	Investment Limit £	Maximum Term
1	United Kingdom Government including investments explicitly guaranteed by the UK Government	AA+		Unlimited	6 years
2	All local authorities in England, Scotland & wales	n/a		30,000,000	6 years
3	Registered Social Landlords (RSLs)	AA-		30,000,000	10 years
4	Australia & New Zealand Banking Group	AA-		26,000,000	6 years
4	National Australia Bank	AA-		26,000,000	6 years
4	Westpac Banking Corporation	AA-		26,000,000	6 years
4	Royal Bank of Canada	AA	Upgraded from category 6	26,000,000	6 years
4	Toronto Dominion Bank	AA		26,000,000	6 years
4	DZ Bank AG	AA		26,000,000	6 years
4	Landwirtschaftliche Rentenbank	AAA		26,000,000	6 years
4	NRW Bank	AA+		26,000,000	6 years
4	OP Corporate Bank Plc	AA-		26,000,000	6 years
4	Bank Nederlanden Gemeeten	AAA-		26,000,000	6 years
4	Nederlandse Waterschapsbank NV	AAA		26,000,000	6 years
4	Cooperative Rabobank UA	AA-		26,000,000	6 years
4	DBS Bank	AA		26,000,000	6 years
4	Overseas Chinese Banking Corp	AA		26,000,000	6 years
4	United Overseas Bank	AA		26,000,000	6 years
4	Nordia Bank AB	AA-		26,000,000	6 years
4	Skandinaviska Enskilda Banken (SEB)	AA-		26,000,000	6 years
4	Svenska Handelsbanken	AA		26,000,000	6 years
4	Swedbank AB	AA-		26,000,000	6 years
4	HSBC Bank plc / HSBC UK Bank Plc	AA-		26,000,000	6 years
4	Bank of New York Mellon	AA		26,000,000	6 years
4	Morgan Stanley	AA-		26,000,000	6 years
4	First Abu Dhabi Bank PJSC	AA-	New counter party	26,000,000	6 years
4	Nordic Investment Bank	AAA		26,000,000	6 years
4	Inter-American Development Bank	AAA		26,000,000	6 years
4	IBRD (World Bank)	AAA		26,000,000	6 years
4	Council of Europe Development Bank	AA+		26,000,000	6 years
4	European Bank for Reconstruction & Development	AAA		26,000,000	6 years
4	European Investment Bank	AA+		26,000,000	6 years

Category	Counter Party	Average Long Term Credit Rating *	Comments	Investment Limit £	Maximum Term
4	Global Treasury Funds Plc	AAA	Money Market Fund	26,000,000	Instant Access
4	Morgan Stanley Funds Plc	AAA	Money Market Fund	26,000,000	Instant Access
4	Short Term Investment Company (Global Series) Plc	AAA	Money Market Fund	26,000,000	Instant Access
4	Goldman Sachs Sterling Liquidity Reserve	AAA	Money Market Fund	26,000,000	Instant Access
4	Scottish Widows Investment Partnership Global Liquidity Sterling Fund	AAA	Money Market Fund	26,000,000	Instant Access
4	BNY Mellon Sterling Liquidity Fund	AAA	Money Market Fund	26,000,000	Instant Access
4	Deutsche Global Liquidity Series Plc	AAA	Money Market Fund	26,000,000	Instant Access
4	Morgan Stanley Funds Plc	AAA	Money Market Fund	26,000,000	Instant Access
4	Aberdeen Investment Cash OEIC Plc	AAA	Money Market Fund	26,000,000	Instant Access
4	Insight Investment	AAA	Money Market Fund	26,000,000	Instant Access
4	Federated Investors (UK) LLP	AAA	Money Market Fund	26,000,000	Instant Access
4	Royal London Asset Management	AAA	Money Market Fund	26,000,000	Instant Access
4	Standard Life Sterling Liquidity Fund	AAA	Money Market Fund	26,000,000	Instant Access
5	Registered Social Landlords (RSLs)	A-		20,000,000	10 years

Category	Counter Party	Average Long Term Credit Rating *	Comments	Investment Limit £	Maximum Term
6	Standard Chartered Bank	A+		20,000,000	6 years
6	Santander UK Plc	A+		20,000,000	6 years
6	Close Brothers Ltd	A+		20,000,000	6 years
6	Commonwealth Bank of Australia	A+	Downgraded from category 4	20,000,000	6 years
6	Bank of Montreal	AA-	Short term rating not A-1+	20,000,000	6 years
6	Bank of Nova Scotia	AA-	Short term rating not A-1+	20,000,000	6 years
6	Canadian Imperial Bank of Commerce	AA-	Short term rating not A-1+	20,000,000	6 years
6	National Bank of Canada	A+	Upgraded from category 7	20,000,000	6 years
6	Nationwide Building Society	A	Downgraded from category 4	20,000,000	6 years
6	BNP Paribas (including BNP Paribas Issuance BV)	A+		20,000,000	6 years
6	Credit Agricole (Credit Agricole CIB Financial Solutions)	A+		20,000,000	6 years
6	Credit Industriel et Commercial	A+		20,000,000	6 years
6	Landesbank Hessen - Thuringen	A+		20,000,000	6 years
6	ING Bank NV	A+		20,000,000	6 years
6	ABN Amro Bank NV	A+		20,000,000	6 years
6	Qatar National Bank	A+	New counter party	20,000,000	6 years
6	Citibank (including Citigroup Global Markets Funding Luxembourg SCA)	A+		20,000,000	6 years
6	UBS AG	AA-	Short term rating not A-1+	20,000,000	6 years
6	Bank of America NA	AA-	Short term rating not A-1+	20,000,000	6 years
6	JP Morgan Chase (including JP Morgan Structured Products BV)	AA	Short term rating not A-1+	20,000,000	6 years
6	Wells Fargo Bank NA	AA-	Short term rating not A-1+	20,000,000	6 years
6	Coventry Building Society	A		20,000,000	6 years
6	Standard Life Investments	AAA	Short Duration Cash Fund	20,000,000	3 working days notice
6	Aberdeen Investment Cash OEIC Plc	AAA	Cash Investment Fund	20,000,000	3 working days notice
6	Insight Investment	AAA	Liquidity Plus Fund	20,000,000	4 working days notice
6	Federated Investors (UK) LLP	AAA	Cash Plus Fund	20,000,000	2 working days notice
6	Aviva Investors Sterling Strategic Liquidity Fund	AAA	Cash Plus Fund	20,000,000	1 working days notice
6	Royal London Asset Management	AA	Cash Plus Fund	20,000,000	2 working days notice

Category	Counter Party	Average Long Term Credit Rating *	Comments	Investment Limit £	Maximum Term
7	Goldman Sachs (including Goldman Sachs International Bank, and Goldman, Sachs & Co. Wertpapier GmbH)	A	Downgraded from category 6	15,000,000	6 years
7	Lloyds Bank plc / Lloyds Bank Corporate Markets Plc	A	Downgraded from category 6	15,000,000	6 years
7	National Westminster Bank Plc	A	New counter party	15,000,000	6 years
7	Macquarie Bank	A		15,000,000	6 years
7	Sumitomo Mitsui Banking Corporation Europe Ltd	A		15,000,000	6 years
7	Societe Generale	A		15,000,000	6 years
7	Landesbank Baden Wurtemberg	A		15,000,000	6 years
7	Credit Suisse	A		15,000,000	6 years
7	Barclays Bank Plc / Barclays Bank UK	A		15,000,000	6 years
7	Bayern LB	A	Upgraded from category 8	15,000,000	6 years
8	Danske Bank	A-	Downgraded from category 7	10,000,000	6 years
9	Pooled Investment Vehicles	Unrated	New counter parties	50,000,000	Instant access subject to investments being sold
10	Subsidiary companies of the City Council	Unrated	Investment limit increased from £20,000,000	30,000,000	Unlimited
11	Leeds Building Society	A-	Short term rating P2	10,000,000	2 years
11	Yorkshire Building Society	A-	Short term rating P2	10,000,000	2 years
11	Principality Building Society	BBB+	New counter party	10,000,000	2 years
11	Skipton Building Society	A-	Short term rating P2	10,000,000	2 years
12	Corporate Bonds	BBB+		7,000,000	365 days
13	Corporate Bond Funds	BBB (average rating)		8,000,000	Instant access subject to underlying bonds being sold

Category	Counter Party	Average Long Term Credit Rating *	Comments	Investment Limit £	Maximum Term
14	Newcastle Building Society	Unrated	Upgraded from category 14	6,000,000	2 years
14	Progressive Building Society	Unrated		6,000,000	2 years
14	Leek United Building Society	Unrated		5,200,000	2 years
14	Ipswich	Unrated		3,200,000	2 years
14	Marsden Building Society	Unrated	Upgraded from category 14	2,400,000	2 years
14	Melton Mowbray Building Society	Unrated	Upgraded from category 14	2,300,000	2 years
14	Market Harborough	Unrated		2,100,000	2 years
14	Scottish Building Society	Unrated		2,100,000	2 years
14	Hanley Economic Building Society	Unrated		2,000,000	2 years
14	Dudley Building Society	Unrated		2,000,000	2 years
14	Tipton & Coseley Building Society	Unrated		1,800,000	2 years
15	Cumberland Building Society	Unrated		6,000,000	365 days
15	The Family Building Society	Unrated	Formerly National Counties	6,000,000	365 days
15	Saffron Building Society	Unrated	Downgraded from category 13	5,100,000	365 days
15	Newbury Building Society	Unrated		5,000,000	365 days
15	Furness Building Society	Unrated		4,500,000	365 days
15	Hinkley and Rugby Building Society	Unrated		3,700,000	365 days
15	Darlington Building Society	Unrated	Downgraded from category 13	3,000,000	365 days
16	Hampshire Community Bnk	Unrated		10,000,000	10 years

Notes

There are a large number of corporate bonds, registered social landlords (RSLs) and universities and as a result they have not been individually included in the tables above.

* The long term credit ratings shown are adjusted to take account of possible future actions resulting from negative watches & outlooks.



Title of meeting:	Governance and Audit and Standards Committee 8 th March 2019
Date of meeting:	Council, 19 th March 2019
Subject:	Health and Wellbeing Board Constitution
Report From:	Chief Executive
Report by:	Kelly Nash, Corporate Performance Manager
Wards affected:	All
Key decision:	No
Full Council decision:	Yes

1. Purpose of report

- 1.1. To seek approval for proposed changes to the constitution for the Health and Wellbeing Board (HWB). The changes are recommended to improve the effectiveness of the HWB as it fulfils its leadership role across the health and wellbeing system locally.

2. Recommendations

- 2.1. **Governance and Audit and Standards Committee is recommended to support the changes to the constitution for the Health and Wellbeing Board set out below, and recommend these to Council on 19th March.**

3. Background

- 3.1. Health and Wellbeing Boards (HWBs) were introduced as part of the Health and Social Care Act 2012. They are statutory in all upper tier local authorities in England. The Portsmouth HWB brings together Elected Members, key council officers, the Portsmouth Clinical Commissioning Group (PCCG), the NHS Commissioning Board and local Healthwatch to develop a Joint Strategic Needs Assessment and deliver it through a Joint Health and Wellbeing Strategy.
- 3.2. The HWB is a committee of the council and has been formally established as such since April 2013.

- 3.3. A recent review of partnerships has concluded that there would be benefits for efficiency of working, and effectiveness of decision-making, if the current three cross-organisation partnerships that look at issues around health and wellbeing in the city (the HWB, the Safer Portsmouth Partnership and the Children's Trust Partnership) came together as one grouping with a single Terms of Reference and membership, and that this should be under the auspices of the Health and Wellbeing Board as the statutory body.

4. Proposed changes recommended by the HWB

- 4.1 In order to ensure that the HWB is able to perform the wider function, it is proposed that the constitution as agreed in 2015 is amended to:

- broaden the core membership to include the superintendent of police, representation from Hampshire Fire and Rescue, from the National Probation Service, Community Rehabilitation Company and from the Portsmouth Education Partnership

- broaden the objectives to include specifically the strategic assessment of needs and issues in relation to Crime and Disorder and children's wellbeing; and the requirement to maintain a relationship with the office of the Police and Crime Commissioner and city safeguarding boards.

- note that from time to time, the Board may establish sub-boards to deal with matters that are delegated to it.

- 4.2 No changes to voting rights are proposed as these relate specifically to the role of a Health and Wellbeing Board in the commissioning of the local Health and Care system (for example, in relation to local pharmacy provision).

- 4.3 These changes have been incorporated into the revised Constitution for the Health and Wellbeing Board at appendix A.

5. Reasons for recommendations

- 5.1 Governance and Audit and Standards Committee is recommended to support these proposals as they will support the Health and Wellbeing Board to operate effectively and continue to enable the council to fulfil its statutory requirements with regard to the Health and Wellbeing Board and in relation to the requirements of the Crime and Disorder Act 1998.

6. Equality impact assessment (EIA)

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

7. City Solicitor comments

7.1. The basis and legality for the proposed amendments is set out in the body of the report. The appendix attached reflects the proposed changes to the Health and Wellbeing Constitution.

8. Head of finance’s comments

8.1 As far as possible these changes need to be achieved within existing available resources. The proposals currently focus on utilising existing resources to consolidate functions and reduce duplication.

.....
Signed by:

Appendices:

Appendix A - constitution for Portsmouth’s Health and Wellbeing Board

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: Name and Title

Appendix A – revised constitution for Portsmouth’s Health and Wellbeing Board (February 2019)

Constitution for Portsmouth’s Health and Wellbeing Board

1. Aims

- 1.1 The Health and Wellbeing Board (HWB) will provide strategic leadership to improve the health and wellbeing of the population of Portsmouth through the development of improved and integrated health and social care services along with a range of other public service dependencies, including public health, the criminal justice system and children’s services. It will:
- a) identify health and wellbeing needs and priorities across Portsmouth, and oversee the refresh and publication of the Joint Strategic Needs Assessment (JSNA) to support evidence-based prioritisation, commissioning and policy decisions, including a strategic assessment of crime and disorder in the local area as required by the Crime and Disorder Act 1998 (as amended) and a children's needs assessment.
 - b) prepare and publish a Joint Health and Wellbeing Strategy (JHWS) for approval by the city council and Portsmouth Clinical Commissioning Group (CCG), which sets objectives and describes how stakeholders will be held to account for delivery, taking account of the JSNA, strategic analysis of crime and disorder, children's needs assessment, Director of Public Health Annual Report as well as national policy developments and legislation.
 - c) monitor and review the delivery of the JHWS and take action where evidence is indicating a failure to achieve agreed outcomes.
 - d) receive annual reports and regular updates from the Portsmouth Safeguarding Children Board and Safeguarding Adults Board; and to consult with safeguarding boards when considering how the welfare of children and vulnerable adults is to be safeguarded and protected.
 - e) encourage integrated working between health and social care and oversee, where appropriate, partnership arrangements under the NHS Act such as pooled budgets.
 - f) establish and maintain a relationship with the Police and Crime Commissioner to fulfil the mutual duty to co-operate and have regard to the priorities set out in their respective plans; and respond to requests to the Police and Crime Commissioner as set out in legislation.
 - g) undertake the governance role, as the community safety partnership, in relation to domestic homicide reviews.
 - h) oversee, where appropriate, the use of resources across a wide spectrum of services and interventions, to achieve its strategy and priority outcomes and to drive a genuinely collaborative approach to commissioning, including the co-ordination of agreed joint strategies.
 - i) support the inclusion of the voice of the public, patients and communities in the setting of strategic priorities, including (but not solely) through the involvement of local Healthwatch and the voluntary and community sector.

- a) Communicate and engage with local people in how they can achieve the best possible quality of life and be supported to exercise choice and control over their own personal health and wellbeing.

2. Membership

2.1 Membership of the HWB shall reflect the fact that the HWB has a role in setting strategic direction for the whole health, care and wellbeing system. It will also contain provisions that allow it to be given greater executive powers on behalf of the city council and in partnership with the CCG, with provision for voting on certain matters to be reserved. Those items on which all members of the HWB can vote shall be termed 'part A items' while those on which voting is reserved shall be termed 'part B items'.

2.2 The members of the HWB, who shall have voting rights on all non-reserved items (part a items) shall comprise the following:

- Lead Member for Health and Social Care (Joint-Chair)
- Clinical Commissioning Group Chief Clinical Officer* (Joint-Chair)
- Lead Member for Children's Services
- Leader of the Council (or their nominated representative)
- Leader of the largest opposition group (or their nominated representative)
- Clinical Commissioning Group Chief Operating Officer*
- Two nominated CCG representatives chosen by the CCG Board
- Two nominated representatives from the Portsmouth Education Partnership
- Portsmouth Police Commander
- Portsmouth Group Manager, Hampshire Fire and Rescue
- Community Rehabilitation Company
- National Probation Service
- Director of Public Health
- Director of Adults Services
- Director of Children's Services
- Healthwatch Portsmouth nominated representative*
- NHS Commissioning Board (Wessex) nominated representative*
- Portsmouth Hospitals NHS Trust nominated representative*
- Solent NHS Trust nominated representative*
- Portsmouth Voluntary and Community Network representative

2.3 The members of the HWB who have reserved powers to vote on 'part B items' are as follows:

- Lead Member for Health and Social Care (Joint-Chair)
- Clinical Commissioning Group Chief Clinical Officer* (Joint-Chair)
- Lead Member for Children's Services
- Leader of the Council (or their nominated representative)
- Leader of the largest opposition group (or their nominated representative)
- Clinical Commissioning Group Chief Operating Officer*
- Two nominated representatives from Portsmouth's Clinical Commissioning Group

*voting rights for co-opted members on what is a committee appointed under section 102 of the Local Government Act 1972 are provided for in Statutory Regulations published in February 2013 "unless the local authority which established the board otherwise directs" and "before making a direction [to empower co-opted members], the local authority must consult the Health and Wellbeing Board"¹. The provisions above are therefore subject to direction from the council in consultation with the board.

3. Chairing arrangements

- 3.1 The HWB will appoint the Lead Member for Health and Social Care at the City Council and the Chief Clinical Officer of the CCG as joint chairs of the HWB, with chairmanship alternating between the two on an annual basis. The other joint-chair shall act as vice chair during that year.
- 3.2 In the event that neither Chair nor Vice chair are present but the meeting is quorate, the voting members present at the meeting shall choose a chair for that meeting from amongst their number who has power to vote on 'part B items'.

4. Quorum

- 4.1 It is important that sufficient members are present at all meetings so that decisions can be made and business transacted. The quorum for the Board will comprise of four voting members and must include at least one voting Member from the City Council and one voting member of the CCG. If a meeting has fewer members than this figure it will be deemed inquorate - matters may be discussed but no decisions taken.

5. Substitutes

- 5.1 Nominating groups may appoint a named substitute member for each position. Substitute members will have full voting rights when taking the place of the ordinary member for whom they are designated substitute.

6. Appointments

- 6.1 In line with the Health and Social Care Act, before appointing another person to be a member of the Board (other than those that are statutorily obliged to be a member) the local authority must first consult the Health and Wellbeing Board. Nominations by the local authority must be in accordance with the Act.

7. Decisions and Voting

- 7.1 The HWB will be accountable for its actions to its individual member organisations and representatives will be accountable through their own organisation's decision making processes for the decisions they make.
- 7.2 It is expected that decisions will be reached by consensus, however, if a vote is required any matter will be decided by a simple majority of those members voting and present in the room at the time the motion is put. This will be by a show of hands, or if no dissent, by the affirmation of the meeting. If there are equal votes for and against,

¹ The Local Authority (Public Health, Health and Wellbeing Boards and Health Scrutiny) Regulations 2013 No.218 regulation 6

the Chair will have a second or casting vote. There will be no restriction on how the Chair chooses to exercise a casting vote.

- 7.3 Decisions within the terms of reference will be taken at meetings and will not normally be subject to ratification or a formal decision process by partner organisations. However, where decisions are not covered by the HWB's statutory functions and power or within the delegated authority of the Board members, these will be subject to ratification by constituent bodies.
- 7.4 Decisions within the current terms of reference will be deemed 'part A items'. In the event that the city council or the CCG delegate additional decisions to the HWB, it will be for the delegating authority to determine whether these are deemed 'part B items' with reserved voting rights as set out above.
- 7.5 From time to time, the Board may establish sub-boards to deal with particular areas of business delegated to the Board, including in respect of the governance of domestic homicide reviews.

8. Status of Reports

- 8.1 Meetings of the Board shall be open to the press and public and the agenda, reports and minutes will be available for inspection at Portsmouth City Council's offices and on the City Council's website at least five working days in advance of each meeting. This excludes items of business containing confidential information or information that is exempt from publication in accordance with Part 5A and Schedule 12A to the Local Government Act 1972 as amended.

9. Members' Conduct

- 9.1 With the exception of those referred to at 9.2 below, the Councillors Code of Conduct of Portsmouth City Council will apply to all Board members, and such members should note in particular the obligations relating to Disclosable Pecuniary Interests (so described within the Councillors Code of Conduct), which they must declare upon appointment to the committee to the Monitoring Officer (unless they have made such a declaration).
- 9.2 The Code of Conduct for Employees of Portsmouth City Council will apply to all Board members who are officers of Portsmouth City Council.
- 9.3 The Monitoring Officer of Portsmouth City Council shall provide Board members with guidance in relation to these provisions

10. Review

- 10.1 This constitution and any conflicts of interest will be reviewed as and when required but at least annually.

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Equality Impact Assessment

Preliminary assessment form v5 / 2013

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
 - 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:

Chief executive

**Function e.g. HR,
IS, carers:**

Health and Wellbeing Board

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

Health and Wellbeing Board constitution

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?

Health and Wellbeing Boards (HWBs) were introduced as part of the Health and Social Care Act 2012. They are statutory in all upper tier local authorities in England. The Portsmouth HWB brings together Elected Members, key council officers, the Portsmouth Clinical Commissioning Group (PCCG), the NHS Commissioning Board and local Healthwatch to develop a Joint Strategic Needs Assessment and deliver it through a Joint Health and Wellbeing Strategy.

The HWB is a committee of the council and has been formally established as such since April 2013.

A recent review of partnerships has concluded that there would be benefits for efficiency of working, and effectiveness of decision-making, if the current three cross-organisation partnerships that look at issues around health and wellbeing in the city (the HWB, the Safer Portsmouth Partnership and the Children's Trust Partnership) came together as one grouping with a single Terms of Reference and membership, and that this should be under the auspices of the Health and Wellbeing Board as the statutory body.

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

It is not expected that the change will have a direct benefit or detriment to any section of the community or any individual as the changes proposed are purely to the strategic decision-making function.

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"/>
Gender	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Transgender	<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"/>

Other excluded groups	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
-----------------------	--------------------------	-------------------------------------	--------------------------

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

Q4 - Does, or could the policy, service, function, project or strategy help to promote equality for members of the equality groups?

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"/>
Gender	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Transgender	<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"/>
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?

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"/>
Gender	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Transgender	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Sexual orientation

Religion or belief

Pregnancy and maternity

Other excluded groups

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

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

Q7 - How have you come to this decision?

The terms of reference for the board will not directly impact any group - decisions that they take on policy or service delivery will be subject to impact assessments in their own right.

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

Q8 - Who was involved in the EIA?

Kelly Nash, Corporate Performance Manager, PCC

This EIA has been approved by: David Williams

Contact number: 023 9268 8157

Date: 26th February

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

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Agenda Item 8

THIS ITEM IS FOR INFORMATION ONLY
(Please note that "Information Only" reports do not require Equality Impact Assessments, Legal or Finance Comments as no decision is being taken)



Portsmouth
CITY COUNCIL

Title of meeting:	Governance & Audit & Standards Committee
Subject:	Elected Member Training
Date of meeting:	8 th March 2019
Report by:	City Solicitor
Wards affected:	None

1. Requested by

Governance & Audit & Standards Committee

2. Purpose

To update members on the 2019 training programme for councillors.

3. Member training offer for 2019

3.1. The 2019 training calendar for elected members is attached as Appendix 1 and shows the training offer that is specific to members. This calendar includes key training support for newly elected members and those taking on committee responsibilities as well as developmental training courses. For ease of understanding, the training calendar has been split into five sections:

- Induction training
- Committee training
- Priority training
- E-learning
- Personal development training

Any councillor is welcome to attend any training event within this calendar. Wherever possible, training will be offered with a variety of dates and times (with an early evening option included). Members have full access to the PCC training offer through the Portsmouth Learning Gateway and Workforce Development officers are available to develop any bespoke training to support members in their role.

3.2. Following feedback from elected members the 2019 training offer will provide greater flexibility and will pilot different models of learning in order to improve accessibility. Access to e-learning through the Portsmouth Learning Gateway is already in place and officers will look to see what other training topics could be covered through this medium. The use of Webinar to enable participants to log into training from another location will also be

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require Equality Impact Assessments, Legal or
Finance Comments as no decision is being taken)

explored as these events can be recorded and made available after the initial delivery for those unable to participate at the time. There are also a number of elected members training resources available through the Local Government Association (LGA) and these links have been added to the calendar to aid members in their development. Some training will be offered over lunchtime periods to see if this is more accessible than the current early evening training slots. Officers will evaluate the effectiveness of these approaches over the year with members and this will inform the 2020 training offer.

3.3. Appendix 2 is the LGA Highlighting Political Leadership Update for February 2019 which demonstrates some of the training support that is on offer in 2019 from the Local Government Association. Further information on LGA elected members support can be accessed through this link <https://www.local.gov.uk/our-support/highlighting-political-leadership> .

.....
Signed by (City Solicitor)

Appendices:

Appendix 1 - Elected Member Training Calendar - 2019

Appendix 2 - LGA Highlighting Political Leadership Update for February 2019

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

Elected Member Training Calendar - 2019



Training calendar

Welcome to the elected member training calendar 2019.

Overview

For ease of understanding, the training calendar has been split into five sections:

- Induction training
- E-Learning for Councillors
- Priority training
- Committee training
- Personal development training

Any councillor is welcome to attend any training event within this calendar. Wherever possible, training will be offered with a variety of dates and times (with a webinar option being trailed for a selection of the courses).



When you see this symbol by the title of a course, this indicates that it is of high importance and it is essential that you attend or complete the e-learning course via Portsmouth Learning Gateway (PLG)

All other training is offered for your personal development. In addition the full range of learning & development opportunities are available via Portsmouth Learning Gateway (PLG)

If you would like to book a place on any of the training events in this calendar, or you have particular training or development needs that are not covered in this directory, please get in touch and we will try to find a solution for you.

Roland Bryant

HR Business Partner - Learning & Development

HR - Floor 1, Core 5-6

Roland.Bryant@portsmouthcc.gov.uk

Tel: 023 9284 1092

Contents

For new councillors:

- Code of Conduct
- Induction for new councillors
- Local Government Association (LGA) - online Councillors Guide
- Finance
- Challenging Conversations and Conflict Resolution
- Enhanced skills for councillors

E-Learning for Councillors:

- Information Governance & GDPR for Councillors
- Health and Safety: Induction for Members
- Safeguarding Children
- Safeguarding Adults
- Cyber Security Awareness
- ACT Awareness (Action Counter Terrorism)
- Anti-fraud, bribery and corruption
- Anti-fraud, bribery and corruption for managers
- Equality and Diversity
- Prevent

Priority training:

- Safeguarding Children & Adults
- Looked after Children
- Homelessness
- Equalities Impact Assessments

Committee training:

- Governance & Audit & Standards Committee
- Planning Committee
- Employment Committee
- Licensing Committee

Personal development opportunities:

- Systems Development Service
- Social media
- Understanding mental health
- PREVENT (preventing violent extremism)
- Presenting with impact, debating with confidence
- Restorative Practice Awareness
- Local Government Association (LGA) - online workbooks



Code of Conduct

(Induction Training)

Who is this course for?

New councillors

Who is running this course?

This session will be facilitated by the City Solicitor.

What will it cover?

It is **essential** that all new councillors have received their Code of Conduct training prior to the Annual Council meeting on the Tbc May 2019

When and where?

DRAFT



Induction for new councillors (Induction Training)

Who is this course for?

New councillors

Who is running this course?

This session will be facilitated by David Williams (Chief Executive) and the City Solicitor

What will it cover?

This briefing session is designed to welcome you to Portsmouth City Council, to give you an opportunity to ask questions of the Chief Executive and the Deputy Chief Executive. The session will also provide you with some basic orientation information about our organisation.

When and where?

DRAFT

Local Government Association Guide for New Councillors (Induction Learning)

Who can benefit from the resources?

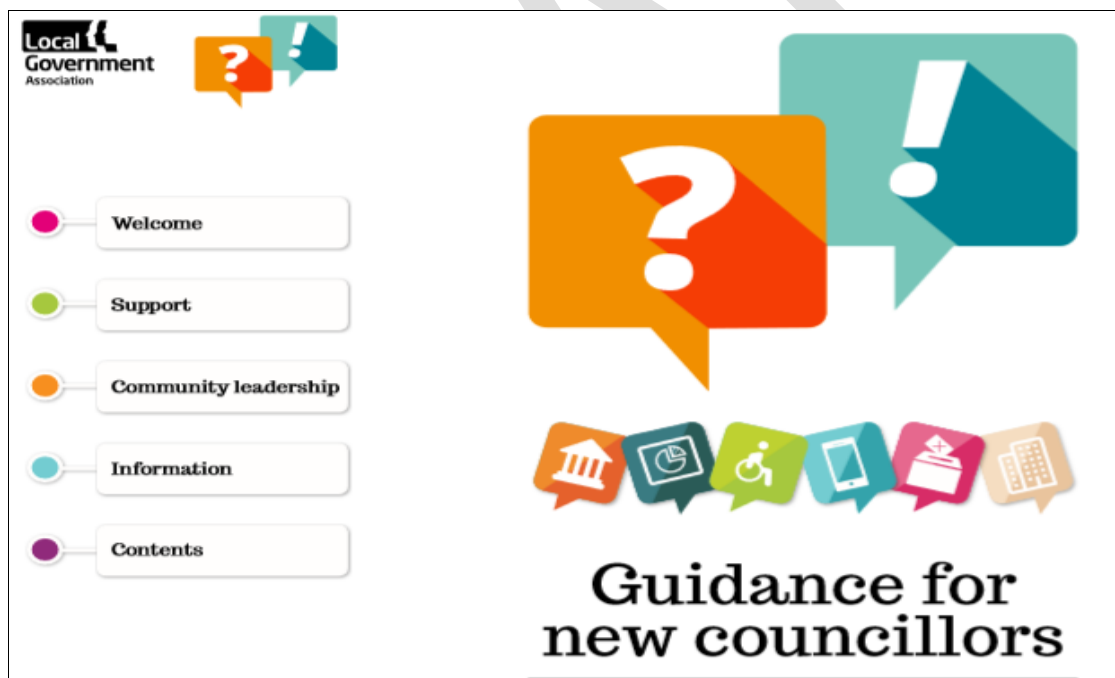
New councillors

Resource information

The Local Government Association (LGA) offer a wide range of learning resources that can be downloaded onto your iPad or tablet or as a PDF for your laptop or desktop.

The councillors' Guide online resource has been designed as a quick reference guide to provide essential information that you need to know as a new councillor and is a useful addition to support you will receive from Portsmouth City Council.

[Following the link to access the latest version](#)





Finance Briefing

(Induction Training)

Who is this course for?

New councillors

Who is running this course?

This session will be facilitated by Chris Ward (Director of Finance)

What will it cover?

This briefing session is designed to provide an overview of the city council's financial processes and position. Briefly it will include:

- Local Government Finance and Framework
- Financial Cycle and Process
- Financial Challenge
- Council Plan

Where and when?

DRAFT

Challenging Conversations and Conflict Resolution (Induction Training)

Who is this course for?

Although designed for new councillors, all members are welcome to attend this training.

Who is running this course?

This course will be facilitated internally by the Learning and Development Team

What will it cover?

When working with constituents, conflicts and challenging conversations sometimes arise. This session is designed to equip participants with the skills to approach these conversations with confidence and positivity, working with constituents to seek resolutions.

At the end of the session participants will be able to;

- Approach conflict and challenging conversations with confidence
- Use skills to diffuse conflict and to hear the issue being presented
- Work with constituents to identify a way forwards

Where and when?

TBC

Enhanced Skills for New Councillors (Induction Training)

Who is this course for?

Although designed for new councillors, all members are welcome to attend this training.

Who is running this course?

This course will be facilitated internally by officers from Democratic Services and HR

What will it cover?

This session is designed to support you to get the most from council meetings. It will build on knowledge gained at the induction session, plus experience from the first few months after election.

Indicative content:

- The function of committees
- Decision making
- Getting the most from council meetings (e.g. using Standing Orders, Notices of Motion etc.)
- Practical skills of being a councillor (including contacts for residents' enquiries and problems)

Where and when?

TBC

E-Learning for Councillors

All e-learning courses can be accessed via Portsmouth Learning Gateway (PLG) under the e-learning courses for councillors tab. Please contact the Learning and Development team on E: LearningandDevelopment@portsmouthcc.gov.uk if you require PLG log-in information.

Information Governance & GDPR for Councillors

This training session aims to provide Councillors with an introduction to information governance, outlining statutory requirements and how you can ensure compliance with the law.

This course is recommended for all Councillors and should be refreshed every year.

Health and Safety: Induction for Members

This course is for elected Members and provides an insight into health and safety (H&S) management in Portsmouth City Council, detailing why Members need to get H&S management right (corporately and personally) and the consequences of getting it wrong.

This course is based around the Institute of Occupational Safety and Health's (IOSH) presentation titled: 'Think about health and safety - What elected members of local authorities need to know'.

Safeguarding Children

Children deserve the opportunity to achieve their full potential. Most do so when brought up by parents or carers who provide warmth and love as well as clear boundaries to behaviour.

Children who suffer abuse or neglect may not reach their full potential. Identifying and protecting those children is a shared responsibility:

This must be repeated every 3 years

Safeguarding Adults

The aim of this course is to raise your awareness of abuse of vulnerable adults, how to recognise it and what to do if you suspect it is happening.

This must be repeated every 3 years

E-Learning for Councillors

Cyber Security Awareness



As a Government organisation we handle a lot of client data, personal information, and sensitive documents.

Our computer systems come under attack from hackers and cyber criminals on a regular basis, and it could be you as an individual who is targeted in order to find a way in.

It is important that we know how to handle and protect the data we work with (as well as our own personal data), and how to recognise an attack or attempts to compromise our data security.

ACT Awareness (Action Counter Terrorism)

ACT Awareness eLearning is a new Counter Terrorism awareness product created by National Counter Terrorism Security Office for all UK based companies and organisations.

Anti-fraud, bribery and corruption

This module provides an overview of fraud, bribery and corruption and explains how they affect employees, Councillors and Portsmouth City Council as a whole. It will also cover how to report fraud, bribery and corruption if you suspect it.

This is must be repeated every 3 years

Anti-fraud, bribery and corruption for managers

The aim of this course is to raise awareness of areas of possible fraudulent activity, to help you prevent, detect and report it as part of your role as a manager at PCC in protecting the public purse.

This course should be completed by managers after completing Anti-Fraud, Bribery and Corruption for all staff module

This must be repeated every 3 years

Equality and Diversity

This short e-learning has been created to help you understand how you need to work with other people - whether they are customers or colleagues. We want to make sure that PCC is a safe and inclusive place to work and to ensure that our services are fair and accessible to all customers.

This must be repeated every 3 years



E-Learning for Councillors

Prevent

This course offers an introduction to the Prevent duty, and explains how it aims to safeguard vulnerable people from being radicalised to supporting terrorism or becoming terrorists themselves.

This is introductory training. It will provide an important foundation on which to develop further knowledge around the risks of radicalisation and the role that you can play in supporting those at risk.

This training addresses all forms of terrorism and non-violent extremism, including far right wing and Islamist extremism threatening the UK.

This e-learning has been developed by HM Government following consultation with a range of individuals and organisations. It has benefitted from the feedback of teachers, local authority officials, community-based groups, youth workers and many others.

DRAFT



Safeguarding Children & Adults (Priority Training)

Who is this course for?

All councillors need to attend this training every 3 years. The part of this training that relates to children's safeguarding has been commissioned in response to an Ofsted recommendation.

Who is running this course?

This course will be facilitated internally by senior managers who have responsibility for children and adult safeguarding.

What will it cover?

- The Care Act and its implication for safeguarding adults
- The aims of adult safeguarding
- Portsmouth's approach to safeguarding adults
- The role of the Adult Safeguarding Board
- Roles and responsibilities in safeguarding adults and children
- The legal aspects of safeguarding children
- The role of the Children's Safeguarding Board
- Actions to take if you have a concern

Where and when?

TBC



Looked After Children (Priority Training)

Who is this course for?

All councillors need to attend this training every 3 years

Who is running this course?

This course will be facilitated internally by the Head of Looked After Children Services and supported by foster carers

What will it cover?

- The demographics of children in care in Portsmouth
- Improving the life chances of those leaving care (e.g. around employability, education etc.)
- Portsmouth's strategy for Looked After Children
- Your responsibility towards Looked After Children as a Corporate Parent

Where and when?

Tbc



Homelessness (Priority Training)

Who is this course for?

All councillors need to attend this training every year

Who is running this course?

This course will be facilitated internally by the Homelessness and Rough Sleeper Strategist & Housing Options Manager

What will it cover?

This session will cover the following topics:-

- Street homelessness and rough sleeping. (prevention & support)
- The statutory responsibilities for the Local Authority, which includes new legislation around the Homeless Reduction Act which is effective from 1 April 2018.

Where and when?

Tbc



Equalities Impact Assessments (Priority Training)

Who is this course for?

All members are strongly encouraged to attend this training.

Who is running this course?

This training will be run in-house in partnership with Mckenzie's, who are a leading provider of Equality and Diversity Consultancy in the UK. They have a client base of over two hundred organisations across the public and private sector.

This training programme is designed exclusively around the needs of elected members. Training for officers in this area is also being delivered to complement this training.

What will it cover?

The aim of this training is to provide you with the information you need about EIAs to enable you to ask the right questions. It aims to help ensure that the needs of all parts of the community have been considered in proposals, proper consultation has taken place and that assessments are not a 'tick-box' exercise. It aims to support you to identify inequality and discrimination by using a comprehensive assessment process.

- The purpose of EIAs
- A refresher on legislation
- Questions and considerations when an EIA has taken place
- Understanding positive and negative impacts
- Statutory roles and responsibilities

Where and when?

Tbc



Governance & Audit & Standards (Committee Training)

Who is this course for?

This session is for members of the Governance & Audit & Standards Committee and their Standing Deputies.

All members, however, are welcome to attend this training to enhance their knowledge about this committee.

Who is running this course?

This training will be offer in-house in partnership with Ian Fifield of LG Futures. Ian is a very experienced trainer in this area, who has been supporting our development for a number of years.

What will it cover?

- The role of the Governance & Audit & Standards Committee
- How the committee fits into the overall governance framework
- The role of the committee in governance, risk management, internal control, audit and financial management
- Key ways that the committee can make a positive difference
- Treasury Management Focus
- Key opportunities, risks and challenges for Portsmouth City Council
- Adding organisational value

What will it cover?

- The role of the Governance & Audit & Standards Committee
- How the committee fits into the overall governance framework
- The role of the committee in governance, risk management, internal control, audit and financial management
- Key ways that the committee can make a positive difference
- Treasury Management Focus
- Key opportunities, risks and challenges for Portsmouth City Council
- Adding organisational value

Where and when?

Tbc



Planning Committee (Committee Training)

Who is this course is for?

This course is an essential requirement for members of the Planning Committee and their Standing Deputies and should be refreshed regularly in order to keep abreast of changes in legislation etc.

All members however, are welcome to attend this training to enhance their knowledge about this committee.

Who is running this course?

This training will be facilitated by Assistant Director of Planning

What will it cover?

- The significance of the authorities development plan
- Key concepts of planning [e.g. viability]
- Listed buildings
- Conservation areas
- Standards and governance for planning committee members
- Understanding the planning code of conduct
- Appropriate responses to residents and developers
- Committee members conduct
- The wider agenda of planning for all members [e.g. representations; planning issues for residents.

Where and when?

Tbc



Employment Committee Training (Committee Training)

Who is this course for?

This course is for members of the Employment Committee and their Standing Deputies.

All members are welcome to attend this training to enhance their knowledge about the role of the committee

Who is running this course?

This course will be facilitated by the Director of HR

What will it cover?

- Role & purpose of the Employment Committee
- Introduction to HR policies
- Overview of Job Evaluation
- Process of Senior Officer appointments

When and Where?

Tbc



Licensing Committee (Committee Training)

Who is this course for?

This course is an essential requirement for members of the Licensing Committee and should be refreshed regularly in order to keep abreast of changes in legislation etc.

All members, however, are welcome to attend this training to enhance their knowledge about this committee.

Who is running this course?

This training will be facilitated internally by Nickii Humphreys (Licensing Manager)

What will it cover?

- The role of the Licensing Committee
- Responsibilities and decision making for members of the committee
- The quasi-judicial role of the committee
- The principles of natural justice
- The role and function of the licensing authority under the various statutory provisions
- Decision making
- Member conduct
- Human rights

Where and when?

Tbc

Systems Development Service briefing (Personal Development Training)

Who is this course for?

All members are welcome to attend this course.

Who is running this course?

This course will be facilitated by members of PCC's Systems Development Service

What will it cover?

The aim of this session is to provide an overview of the Systems Development Service, who are a team of in-house consultants. The Service works in partnership with Portfolio Holders and Directors to identify efficient ways of working and the improvement of customer service standards.

Briefly it will cover:

- The method used for identifying and streamlining processes
- The leadership mindset changes needed to work to this method
- Review of the outcomes of interventions taken within PCC
- Overview of current interventions
- Invitation to find out more and become involved

Where and when?

Tbc



Social Media (Personal Development Training)

Who is this course for?

All members are welcome to attend this course.

Who is running this course?

This course will be run in-house by an external trainer.

What will it cover?

The aim of this course is to outline and explore safe, effective and lawful use of Social Media (e.g. Facebook, Twitter etc.)

Where and when?

TBC



Understanding Mental Health (Personal Development Training)

Who is this course for?

All members are welcome to attend this course.

Who is running this course?

This course will be run in-house by Jane Leech from Public Health.

What will it cover?

A short course aimed at identifying mental health and wellbeing issues that are prevalent in the population and how these can be supported including signposting to local and national resources and services.

- developing skills and confidence to discuss mental health and wellbeing
- explain mental health and wellbeing by using self-help principles
- identify local mental health resources and services

Where and when?

TBC

PREVENT (preventing violent extremism) Training (Personal Development Training)

Who is this course for?

All members are welcome to attend this course.

Who is running this course?

This course will be facilitated internally by Charlie Pericleous, Prevent Coordinator for Portsmouth

What will it cover?

Prevent is part of the UK's counter terrorism strategy. This workshop will help participants to identify the issues and preventative measures from the Government strategy aimed at tackling the radicalisation of individuals, both in the UK and elsewhere (stopping people from becoming a terrorist or supporting terrorists or violent extremists).

Briefly it will cover:

- The current risk level and local/national context
- The Prevent Strategy and it's aims
- Recognise individuals / groups who may be vulnerable to terrorism and the influence of extremist groups
- Explain why some people are able to influence and manipulate others to commit crimes
- Recognise when a vulnerable individual may be in need of help and describe what support is available to vulnerable individuals
- The referral procedure for those that may be vulnerable to extremism and what interventions are possible

Where and when?

Tbc

Presenting with impact, debating with confidence (Personal Development Training)

Who is this course for?

All members are welcome to attend this course

Who is running this course?

This will be delivered in-house by an externally commissioned trainer

What will it cover?

This workshop aims to increase confidence to present and debate professionally at council meetings. The workshop will consider the impact of social media, the rise and influence of the citizen journalist and how to be 'media savvy' when discussing controversial issues or politically sensitive subjects at meetings where journalists could be present.

You will learn how to:

- Plan and prepare systematically for all presentations and debates
- Be aware of your impact on journalists and the public at streamed meetings
- Identify and develop your own key messages
- Hone your messages and get them across with more professionalism
- Build empathy with your audiences when speaking in public
- Present written reports
- Focus attention on the key issues so your audience will accept your message
- Overcome nerves when presenting
- Conduct successful meetings – from preparing key messages, to taking control of the agenda.
- Deal with challenging behaviour and awkward audiences
- Handle awkward questions or hostile questions from the floor

Where and when?

Tbc

Restorative Practice Awareness (Personal Development Training)

Who is this course for?

All members are welcome to attend this course.

Who is running this course?

The course will be delivered by a colleague from the pool of Restorative Practice trainers who are currently rolling out a programme of restorative practice training across children's services in the city.

What will it cover?

The course will provide a brief introduction into restorative practice including restorative conversations, a look at how it is being used in services for Children (including schools) and the benefits in using this approach.

- Describe principles and key concepts of restorative practice
- Be able to model restorative conversations and techniques

Where and when?

Tbc

Local Government Association Workbooks (Personal Development Learning)

Councillor workbooks

The LGA has produced a series of distance learning materials, covering a number of topics, in the form of workbooks.

- Acting on climate change
- Being an effective ward councillor
- Bribery and fraud prevention
- Chairing skills
- Commissioning services
- Community leadership
- Community safety
- Councillor/officer relations
- Creating a 'fit for the future organisation'
- Engaging young people
- Facilitation and conflict resolution
- Handling casework
- Handling complaints for service improvement
- Health and safety in the council
- Influencing skills
- Local government finance
- Planning
- Neighbourhood & community engagement
- Neighbourhood planning - ward councillors
- Scrutiny
- Scrutiny of finance
- Stress management and personal resilience
- Supporting residents with complex issues
- Working with town and parish councils

Highlighting Political Leadership

These LGA programmes help to support and develop councillors ensuring our local politicians are confident and capable.



Councillor workbook: handling complaints for service improvement

Please access via the LGA website <https://www.local.gov.uk/councillor-workbooks>

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LGA Highlighting Political Leadership Update – February 2019

Leadership Academy

The Leadership Academy is the LGA's flagship development programme for councillors in leadership positions. Refreshed and updated for the current challenges faced across local government, the Leadership Academy delivers for local leaders a step change in leadership behaviours, strategies, skills and mind-set.

Leading councillors from across the country and political spectrum have found the Leadership Academy helps to ensure they can effectively address modern challenges and make the most of new opportunities. The programme is now recognized by ILM (Institute of Leadership & Management), the UK's leading awarding body for leadership and management, and Leadership Academy graduates will now receive an ILM certificate. The Leadership Academy is a leadership development programme for leading councillors based on three two-day residential modules over a three-month period.

Module 1 focuses on **leading through relationships**. This module explores how councillors can develop, maintain and use relationships (both internal and external) to provide effective leadership at the political, organisational and wider community levels.

Module 2 looks at **leading innovation and change**. This module will develop councillors' ability to lead and manage complex change to improve effectiveness and efficiency and to achieve better outcomes for the community

Module 3 explores **leading communities and place**. The focus is on helping councillors to communicate with and provide leadership to their communities and within partnerships to achieve growth and prosperity.

Who is it for?

Councillors in leadership positions, including leaders of councils, deputy leaders, leaders of political groups, portfolio holders, shadow portfolios, scrutiny chairs and committee chairs.

Fees: The cost of the first place booked for each authority is now just £1,000, and the cost for each subsequent place will be £1,250. The fee covers accommodation, meals, refreshments, material and tuition for the three residential modules

Midweek Programme 183: Warwick Conference Centre, Coventry

Module 1: Thursday 18th July – Friday 19th July 2019

Module 2: Wednesday 11th September – Thursday 12th September 2019

Module 3: Wednesday 9th October – Thursday 10th October 2018

Weekend Programme 184: Warwick Conference Centre, Coventry

Module 1: Saturday 14th September – Sunday 15th September 2019

Module 2: Saturday 12th October – Sunday 13th October 2019

Module 3: Saturday 9th November – Sunday 10th November 2019

Political Leadership Masterclasses

These one-day political master classes are for councillors who hold leadership positions on their councils including cabinet members, committee chairs and opposition group leaders. The cost of places at these events is fully subsidised. There are a very limited number of places available and they will be allocated on a strictly first come, first served basis.

Working with the Media Political Leadership Masterclass

Warwick Conferences, Coventry, CV4 7SH

Working with the Media 11 - 2019 Dates to be advised soon

As a leading councillor, you play a pivotal role in raising awareness of your local area and organisation through the media. We're running an intense one-day masterclass to develop and enhance your interview skills. The session will be run by experienced journalists who will provide guidance and advice on:

- understanding journalists, your local media and what makes news
- how to prepare for an interview, present yourself and avoid the pitfalls
- how to develop meaningful messages and narrative
- how to convey your message and control an interview

You'll undertake three interviews (both print and broadcast) during the course of the day with one-on-one guidance and detailed feedback. Recordings of all your interviews, along with media training notes, will be emailed across after the event to review in your own time.

The event is fully subsidised for all delegates. However, please note once you commit to joining the 'Working with the Media' masterclass if you are then unable to make it, a £500 fee will be charged to your council.

Commercial Skills Masterclass for Councillors

Following three fully booked masterclasses in Cambridge, Winchester and Leeds, we have added an extra date in Manchester, which can be booked via the [online booking link](#).

Commercial skills for councillors masterclass - Manchester

This is a free one-day masterclass for councillors, focusing on the importance of the councillor role within the commercialisation process. Councillors will join an LGA member peer and an experienced commercial trainer to learn practical commercial skills and to hear a case study from the host councillor about how these skills have been put into practice.

Date and location:

19 March 2019 - [The Midland](#), 16 Peter Street, Manchester, M60 2DS

There are 25 places available, booking essential – [book your place online](#). Places are allocated on a 'first come, first served' basis.

Data and Digital Transformation Masterclasses for Elected Members

We are pleased to announce three **free masterclasses** for councillors on data and digital transformation. The focus is on the roles and responsibilities that members can place. These take place from 10.00-3.30pm on the following dates:

5th March - The Studio, the Hive, 51 Lever Street, Manchester M1 1HN
15th March – MSE Meeting Rooms, 103A Oxford Street, London W1D 2HG
19th March – The Studio, 7 Shannon Street, Birmingham B2 5EP

This event is for elected members who are working on, and keen to maximise, the opportunities of digital approaches and data exploitation in their authorities. A sequence of speakers from local authorities will talk about their own experiences as a reference point for questions and a discussion within the group.

The planned programme includes sessions on:

- the benefits of digital approaches for councils
- the importance of attention to data - getting the plumbing right
- overcoming and understanding cultural issues
- how, as councillors, we can create the conditions and scrutiny in which suitable innovations are able to succeed.

To book on the Data and Digital Transformation masterclasses this is via Eventsforce booking on the LGA website , please click:

<https://www.local.gov.uk/events?topic%5B5672%5D=5672&from=&to=®ion=All>

For further information, please contact Tim Adams at tim.adams@local.gov.uk

Leadership Essentials

The Leadership Essentials programme is a series of themed leadership events and workshops. They are aimed at leading members offering a stand-alone opportunity to concentrate on particular themes and share experiences amongst colleagues dealing with similar challenges. These programmes are run at Warwick Conference Centre, Coventry (unless otherwise stated)

Leadership Essentials: Finance

This two day residential programme will help leaders and finance portfolio holders get to grips with the financial challenges facing their authority. The course discusses setting longer term strategies for sustainability as well as balancing the budget on an annual basis and how to work with officers to ensure that the Council is making the most of its opportunities.

Designed for Leaders and finance portfolio holders, this programme is an opportunity to focus on financial management and governance ahead of the final stages of the 2020/21 budget process, but also to look longer term at what the strategic options may be for the Council and its local area. Participants will hear from a variety of speakers with experience of financial leadership in difficult times and experts on the financial impact of change.

Topic covered will include;

- The role of leaders and portfolio holders in a changing financial environment
- Working with others to make sense of the opportunities
- Understanding the council's finances
- Navigating the budget process
- The financial aspects of the new delivery models
- Recognising a good business case for change

Programme 13: Wednesday, 26th June – Thursday, 27th June 2019

Programme 14: Saturday, 14th September – Sunday, 15th September 2019

Programme 15: Saturday, 26th October – Sunday, 27th October 2019

All take place at Warwick Conferences, Coventry, CV4 7SH

The cost of attending this programme is fully subsidised, but places are limited and will be offered on a strict first come first served basis.

Leadership Essentials: Children's Services

Lead Members for Children's Services are responsible for providing leadership to Children's Services in their area and hold a statutory role. This development event is funded as part of the sector led improvement programme and aims to support Lead Members with the key challenges they face in the changing policy landscape and to develop leadership capacity, share learning and provide a valuable networking opportunity. This programme is also for Chairs of Children's Services scrutiny committee.

The programme runs over two days and is delivered by member peers and LGA staff supported by guest speakers from local government and partner agencies. We are offering a choice of three programme dates, taking place at Warwick Conferences, Coventry CV4 7SH:

Programme 24: Saturday, 14th September – Sunday, 15th September 2019

Programme 25: Thursday, 3rd October – Friday, 4th October 2019

The cost of attending this programme is fully subsidised. This includes accommodation, meals, course materials and tuition.

Leadership Essentials Prevent and Counter-Extremism

Venue: The Blackwell Grange Hotel, Darlington DL3 8QH
Tuesday, 26th March – Wednesday, 27th March 2019

The LGA runs a number of national Leadership Essentials programmes offering high quality leadership development for councillors across the political spectrum. This bespoke two-day course has been developed to explore local government's role in Prevent and counter extremism, which is open to all elected members and is free of charge.

Local authorities have a core role to play at a local level in both safeguarding individuals vulnerable to radicalisation, and in protecting their communities from extremism. Building on the highly regarded LGA Prevent and counter-extremism leadership essentials programmes, this event will provide an opportunity for elected members to learn with and from each other in a confidential, non party-political environment.

The programme will explore a range of themes including national and local approaches to Prevent delivery and counter extremism work; local threats; understanding radicalisation and effective safeguarding; emerging and evolving challenges; and effective leadership. A draft agenda is overleaf.

The cost of attending this programme is fully subsidised. This includes accommodation, meals, course materials and tuition.

Leadership Essentials: Fire & Rescue

This programme is aimed at elected members with leading roles on fire and rescue authorities. Benefits of attending will include opportunities to:

- Develop your understanding of the nature of political leadership in fire and rescue authorities.
- Improve your knowledge of the key strategic issues facing the sector.
- Build your appreciation of how leadership style, capacity and skills can assist in managing complex organisational change.
- Explore tools and techniques for improving communication and stakeholder engagement, when working with communities, partners, fire staff and the media.
- Share ideas and network with leading members from a variety of FRAs.

Programme 12: Wednesday, 26th June – Thursday, 27th June 2019

Programme 13: Thursday, 26th September – Friday, 27th September 2019

The cost of attending this programme is fully subsidised. This includes accommodation, meals, course materials and tuition.

Leadership Essentials: Adult Social Care

This development event supports Lead Members with the key challenges they face in adult social care in the changing policy landscape. It offers the opportunity to explore leadership capacity, to share learning and to make valuable contacts. The course is residential, runs over two days and is delivered by LGA staff supported by high profile guest speakers from local government and partner agencies. The event is member led, interactive, and maximises the opportunity for discussion, sharing of practice and innovative solutions in a confidential environment.

It will focus on leadership in the current challenging policy and practice context, including implementing the Care Act, sector led improvement and integration. The event is supported by the LGA and the Towards Excellence in Adult Social Care programme of sector led improvement in adult social care.

Programme 6: Tuesday, 15th October – Wednesday, 16th October 2019
Warwick Conferences, Coventry CV4 7SH

Fee: The event is fully subsidised including accommodation and refreshments. Places are limited. Accommodation is available the evening before the course.

Essentials: Health & Well-being for HWB Chairs & Vice-Chairs

Health and Well-Being Boards are entering a critical phase of their development. The role of the Chair is pivotal in maintaining relationships with partners through difficult conversations, promoting shared ownership of and collective leadership for the Board and ensuring accountability to the community. This two-day residential session gives Chairs and Vice-Chairs an opportunity to come together to have space to think and reflect, share experiences and actively learn from each other through the LGA's tried and tested approach to leadership development.

The session will be led by peers with input from national partners. We are offering a choice of three programme dates at Warwick Conferences, Coventry CV4 7SH

Programme 17: Thursday, 18th July – Friday, 19th July 2019

Programme 18: Tuesday, 15th October – Wednesday, 16th October 2019

Programme 19: Tuesday, 5th November – Wednesday, 6th November 2019

Fee: The cost of attending this programme is fully subsidised. This includes accommodation, meals, course materials and tuition.

Leadership Essentials: Effective Scrutiny

The Leadership Essentials: Effective Scrutiny 2 day programme is for new or aspiring scrutiny chairs or task-and-finish group review lead members covering:

- Leading and managing a scrutiny review
- Chairing scrutiny meetings in all their forms
- Increasing participation by members and the public
- Ensuring impact of scrutiny recommendations

Drawing on experts in their field, the programme will also offer the opportunity to focus in depth on the hot topics that are currently most relevant to your work, whether that is children's safeguarding, welfare reform, changes in health services or pressure on budgets driving major changes in how services are delivered or commissioned.

Programme 10: Saturday, 5th October – Sunday, 6th October 2019

Programme 11: Wednesday, 22nd January – Thursday, 23rd January 2020

Warwick Conferences, Coventry CV4 7SH

Fee: The fee for attending the 2-day residential event is £250 per place which includes accommodation, meals and all learning materials.

Leadership Essentials: Getting Your Message Across

This event will provide councillors with the new ideas, strategies and techniques for achieving more effective communication with both internal and external audiences.

Participants will learn how to:

- Influence others towards achieving mutually beneficial objectives
- Adapt their communication style to convey messages more persuasively to people who have a different communication style
- Be more effective when delivering and managing bad news
- Develop a more authoritative communication style
- Build and promote their own personal brand
- Target the right message at the right audience and establish trust and credibility and build relationships
- Overcome barriers to effective communication
- Select the best tools and methods for delivering messages.

Programme 5: Dates to be advise

Warwick Conferences, Coventry CV4 7SH

Fee: The fee for attending the 2-day residential event is £250 per place which includes accommodation, meals and all learning materials.

Leadership Essentials: Sport and Physical Activity

Following twenty successful Leadership Essentials Sport programmes in the last 5 years, the LGA and Sport England are pleased to offer further programmes to assist Cabinet members/portfolio holders with the responsibility for sport to lead transformational change in their service. This will be the first programme following the launch of Sport England's new strategy Towards an Active Nation providing a great opportunity to be hear about the strategy and the opportunities it brings for councils and local partners. It is also a very beneficial experience for new portfolio holders.

The event will help participants to:

- Understand the role that sport and physical activity can play in helping address health improvement and health inequality within communities
- Explore the role sport and physical activity can play in public health, health and social care commissioning and personalisation
- Understand and lead the transformation required in the provision, management and development of sport and physical activity services within councils in order to improve efficiency and value for money and increase participation
- Understand more about how Sport England and the LGA can help and support councils through change programmes and hear about Sport England's new strategy Towards an Active Nation.
- Become better leaders.

Read about the impact attending a Leadership Essential Sports and Physical Activity programme (formerly called Leadership Academy) had on seven councillors from across the country in our brochure: <https://www.local.gov.uk/transforming-delivery-sport-local-communities-elected-member-leadership-academies>

Programme 23: Thursday, 28th February – Friday, 1st March 2019
Warwick Conferences, Coventry CV4 7SH

Fee: The cost of attending this programme is fully subsidised. This includes accommodation, meals, course materials and tuition. Accommodation is available for the pre-night.

Leadership Essentials Planning Programmes for 2018/19

Leadership Essentials Planning provides an opportunity to learn about leading planning services. It provides a forum where attendees from across the political spectrum can meet and talk about common issues, hear from leading experts and take part in discussions and exercises, to develop understanding and thinking and learn new things.

Leadership Essentials Planning: Planning Committee Decision-Making 2

Thursday, 14th March – Friday, 15th March 2019 - Warwick Conferences, Coventry

Decision making at planning committee: how to run a good planning committee – for Planning committee Chairs and Vice-Chairs

A council's planning committee is a very public window into a council's sometimes complex and often controversial decision making process. The outcomes from the committee are then seen in the developments that are delivered through the decisions made. The aim of the planning committee must be that those people that engage with it to be satisfied with the decision making process, if not always the outcome

Chairing a committee, and all the preparation and lead-in required for good decision making can be challenging. The course will focus on good quality decision making at planning committee and how a good planning committee is run. Attendees will be able to compare how their committee operates with other authorities and share ideas with other councillors

Fees: Delegate cost will be £250. All meals accommodation and course materials will be provided as part of the delegate package. If you wish to arrive the night before, there will be an additional cost of £85.

Focus on Leadership Programmes

Two-day development programmes for councillors with potential or aspirations to move into leadership positions on their council.

Effective Opposition

This program, aimed at opposition leaders and deputy leaders, is designed to help participants to get a better understanding of how they can enhance the effectiveness of their role in leading an opposition group on their council. It will focus on a range of relevant topics, skills and techniques, including building good working relationships with key officers, engaging with external stakeholders, working with the local media and getting the most out of social media.

The programme will provide a unique, cross-party opportunity for participants to explore the nature of effective opposition and gain some insight into their personal leadership and influencing styles.

Programme 10: Dates to be confirmed

Programme 11: Dates to be confirmed

Fee: The cost for attending this two-day residential event is only £150, which covers the cost of accommodation, meals, tuition and materials

Young Councillors' Weekender

The Young Councillor Weekender event is designed to give councillors aged 40 and under an opportunity to benefit from some focused leadership skills development aimed at helping them to make progress in their political career. The event also provides a chance for them to meet with and build up their network of other young councillors from different political parties and parts of the country.

Over the ten years since the programme was first run approximately 40 participants have attended each year and several have gone on to take up cabinet positions on their councils or roles on LGA boards.

This year's programme will include plenary sessions lead by experts in the field of leadership and leading member peers covering personal development and some of the key current issues and challenges for all councillors. Some of the workshops choices will be:

- Is Perception more powerful than reality
- Communication Skills
- Operating in party groups
- Local Government Finance

Date: Saturday 23rd November – Sunday 24th November 2019 - Warwick Conferences

Fee: The cost for attending is £150 for the 2-day residential event which includes accommodation, meals and all learning materials, plus an additional £50 for those of you who wish to join us for dinner and stay overnight at the venue on Friday, 22nd November

Black, Asian and Minority Ethnic (BAME) Councillors Weekender

This event provides a unique learning and networking opportunity for elected members from BAME backgrounds and those who are interested in exploring ideas for enhancing the recruitment and retention of BAME councillors.

The programme will include a variety of leadership, skills and personal development workshops, an opportunity to identify new learning and support needs, and a chance to work with others in finding possible solutions for some of the specific challenges faced by councillors from BAME backgrounds.

Date: Saturday, 9th February – Sunday, 10th February 2019

Fee: The cost for attending this two-day residential event is only £150, which covers the cost of accommodation, meals, tuition and materials, plus an additional £50 for those of you who wish to join us for dinner and stay overnight at the venue on Friday 8th February.

**To book or for more information on the Highlighting Political Leadership
development programmes /events mentioned**

Please email grace.collins@local.gov.uk or Tel: 0207 664 3054

Community Leadership

The Community Leadership Programme provides a number of resources to support councillors in their role as community leaders, facilitators and brokers.

Councillor Modules

We can deliver modules in-house and tailor accordingly to your authority's needs using a member peer and a trained facilitator on topics such as chairing skills, influencing skills and partnerships, and social media.

Councillors' Guide

The new Councillors' Guide for 2018/19 is now available online. This online resource is designed as a quick reference guide to provide you with the essential information that you need to know as a councillor.

<https://www.local.gov.uk/our-support/highlighting-political-leadership/councillors-guide>

Councillor workbooks

The workbooks are aimed at all councillors and will be particularly useful to new councillors. They are available to download on the LGA website <https://www.local.gov.uk/our-support/highlighting-political-leadership/community-leadership/councillor-workbooks>.

Topics include:

- Acting on Climate Change
- Being an effective ward councillor
- Bribery and fraud prevention
- Chairing skills
- Commissioning Services
- Community safety
- Councillor / Officer Relations
- Creating a 'fit for the future organisation'
- Engaging young people
- Facilitation and conflict resolution
- Handling casework
- Handling complaints for service improvement
- Health and safety in the council
- Influencing skills
- Local government finance
- Media and communications
- Neighbourhood & community engagement
- Neighbourhood planning- ward councillors
- Planning
- Scrutiny
- Scrutiny of finance
- Stress management & personal resilience
- Supporting residents with complex issues
- Working with town and parish councillors

E-Learning Modules

The E-learning can be accessed via the LGA website through the following URL: <http://lms.learningnexus.co.uk/LGA/>. In order to access the modules, councillors need to register to use the system, and receive a user name and password. They can do this by emailing elarning@local.gov.uk.

The councillor e-learning modules available to download from the LGA E-Learning platform for councillors are as follows:

- **An Overview of the General Data Protection Regulation for Councillors**
This module provides an overview for councillors on the requirements of the General Data Protection Regulation/Data Protection Act 2018. It describes the requirements of the new Act which implements the GDPR and how it applies to councillors both as individuals. It looks at the new legislation and how it differs from the Data Protection Act 1998 and why it is important to understand and follow the requirements of the legislation to avoid allowing personal data which they may hold on the residents of their area being misused.

- **Anti- Bribery and Corruption**

As a councillor you will deal with many types of people and organisations in your role as a community leader. Sometimes these relationships might come under scrutiny from others. An understanding of when these situations might put you at risk of bribery or possibly even corrupt activity is important to ensure that you don't end up compromised or breaking the law without realising it. The e learning module has been written to support you and feel more confident in these situations.

- **Commissioning Council Services**

This module brings together learning and experiences from the Leadership Essentials Commissioning Academy programme to examine new ways to approach commissioning from an outcome based perspective. It also provides tools to help implement outcome based commissioning and the skills to facilitate change.

- **Community Engagement and Leadership**

With the increasing emphasis on local democracy, this module considers the important role of a councillor as a community leader and as an advocate for their local area. It gives thought to how to determine the needs of your local community and gives consideration to how best to engage with all elements of it in ways which are most appropriate for their needs and circumstances. By taking a more strategic view on community engagement it will enable you to consider how to be more effective in this role.

- **Councillor Induction**

Designed to complement the LGA Councillors' Guide, this module provides a useful introduction to the increasingly diverse and complex role of being a local councillor. It looks at the legal framework of councils, considers the different types and structures of councils as well as providing some helpful tips and pointers to those undertaking this role for the first time. It is intended to sit alongside any council specific training provided to provide a national perspective to better inform the local ward or division councillor.

- **Effective Ward Councillor**

This module looks at the key skills for being an effective councillor. It examines the need to understand the issues and concerns of your own ward or division and to equip you with the skills confidence and ability to take action and make a difference to your community in the most important role you undertake as a councillor. It looks at time management, prioritisation of tasks and the importance of effective communication.

- **Facilitation and Conflict Resolution**

Facilitation and conflict resolution is nothing new. Much of the work that councils are currently doing around community cohesion and tension monitoring is an attempt to understand, prevent and respond to actual or potential community conflicts on a comprehensive and consistent basis. As councillor you will play an important role in resolving community conflict, dealing with conflicting priorities and acting as a facilitator for resolution. This module looks at the possible causes of conflict and tension in communities and provides some tools and tactics for acting effectively to resolve them where possible.

- **Handling Complaints for Service Improvement**

As you develop in your role as a councillor you will receive complaints or concerns from your local community about a variety of issues. Written in partnership with the Local Government Ombudsman this module looks at the type of complaints you might receive as a councillor, considers which are appropriate to be dealt with and

which should not! It provides councillors with the necessary signposting to direct complaints to the appropriate body for resolution, be that the council or an elsewhere.

- **An introductory to Housing**

This module provides a starting point for understanding the evolution and structure of housing provision by organisations in Great Britain. It looks at the different types of housing provision, the providers of services and the role of landlords and tenants in the process of private and public housing provision. It considers the essential information that you as a councillor may need to be aware of when undertaking your role as a council, committee or cabinet member

- **Influencing Skills**

Being able to influence people is a key skill for effectiveness as a councillor. The module looks at how to be effective in influencing and persuading others, provides you with information about your own influencing style and how and when best to use it. It gives consideration to how to change the way other perceive you as a politician and to overcome the difficulties involved in influencing effectively.

- **Licensing and Regulation**

The standard of products and services provided by local businesses is maintained through licensing and regulatory legislation. This enables local communities to stay safe and benefit from a healthy local economy. Council's regulatory services are responsible for enforcing this legislation, enabling businesses to improve and grow. The module takes a look at why licensing and regulation is necessary, what regulatory services are their role and function and the role of the councillor in licensing and regulation.

- **Planning**

If you think about planning, what word(s) come into your mind? To some councillors planning is exciting and visionary, it is about improving the environment, making places and communities work, a way of securing tangible improvements and investments, of shaping the future, and a mechanism for getting involved in decisions on things that matter to people. To others, it is bureaucratic, confrontational, stifles creativity, and pits neighbours against each other. Some residents fear it, don't trust it, and think it fails them. Some businesses see it as stifling innovation and enterprise. The Local Plan, planning proposals and decisions are all things that the public are interested in, although not all of the time. If you think about how many more members of the public turn up for a planning committee than a full council meeting, you can tell what sparks interest and strong views. This workbook will help you to understand how the planning system in England work

- **Police and Crime Panels**

The Police Reform and Social Responsibility Act 2011 introduced new structural arrangements for national policing, strategic police decision making neighbourhood policing and policing accountability. Principal amongst these changes was the election of Police and Crime Commissioners (PCCs) and the introduction of Police and Crime Panels to scrutinise them. The module provides you with the information you need as a councillor to sit on a Police and Crime Panel and looks at the links between Police and Crime Panels, councils and local councillors.

- **Scrutiny for councillors**

All councils must have an overview and scrutiny function. This is to ensure that decisions taken are robust and fulfil the needs of the local community. This module is aimed at councillors who sit on the Overview and Scrutiny committee of a council, involved in scrutiny work or wish to learn more about the overview and scrutiny function of a council.

- **Stress Management and Personal Resilience**

In a time of changing priorities and ways of working for both front line and back office services, councils face increasingly difficult and stressful decisions about the services they provide to their communities. As a councillor you may find yourself having to communicate difficult and unpopular news to your local areas. This module looks at the sources and causes of stress, and offers some insights and strategies for creating greater personal resilience.

- **Supporting constituents with complex issues**

As a councillor, providing effective support and advice to your residents is a key skill required in your role. Some of the conversations you will have will be difficult, awkward or painful. And you need to find the tools and personal resilience to enable you to do this well. This module looks at the ways in which you can provide this support and advisory role and to signpost residents with difficulties to other agencies who can offer more targeted support where needed

For more information on our community leadership offer please contact Alison Edwards
alison.edwards@local.gov.uk **Tel: 020 7665 3857**

Be a Councillor

Do you have elections coming up in 2019 or 2020? Are you thinking of running a campaign or prospective councillor event? We've recently updated our website to include new resources to help Council's promote the role of councillor to new talented people, who want to make a difference in their community: www.beacouncillor.co.uk/your-council.

Email: michael.barrett@local.gov.uk, Twitter: @beacouncillor
Website: www.beacouncillor.co.uk



Title of meeting:	Governance and Audit and Standards Committee
Date of meeting:	8 th March 2019
Subject:	Performance Management update - Q3, 2018-19
Report by:	Director of HR, Legal and Performance
Wards affected:	n/a
Key decision:	No
Full Council decision:	No

1. Purpose

- 1.1 To report significant performance issues, arising from Q3 performance monitoring, to Governance and Audit and Standards committee and highlight areas for further action or analysis.

2. Recommendations

- 2.1 The Governance and Audit and Standards Committee is asked to:
- 1) note the report;
 - 2) note the continued improvement in quality of reports from directorates;
 - 3) agree if any further action is required in response to performance issues highlighted

3 Background

- 3.1 This report is part of the regular series of quarterly report highlighting significant performance issues across the organisation.
- 3.2 In compiling reports, directors are asked to consider:
- 1) Priority performance areas
 - 2) Projects
 - 3) Risks
- 3.3 Expectations have been shared with Directors that reports should cover the breadth of organisational activity and enable GAS to discern a picture of performance in the organisation. Reports should provide an indication of both current performance and trends. Directors have been asked to make use of readily understood RAG (red; amber; green) terminology to describe perspectives where:
- Green is improving; exceeding or on plan
 - Amber is no change or some degree of uncertainty about performance
 - Red is deterioration; failing to achieve plan; or a high level of concern.

- 3.4 In order to make the key issues clearer to members, directors have been asked to provide summaries highlighting the issues the committee needs to be aware of (Appendix 1) with more in depth assurance around the management of performance, projects and risk, presented in further appendices. A summary of strategic risks to the organization is also included as part of Appendix 4.
- 3.5 As well as individual issues, there are themes arising from the report that members of the committee may wish to consider. These are broadly similar to those raised in previous quarters.
- 3.6 The first significant theme is that demand for services in key areas is rising, and this is putting pressure on service delivery. This is particularly apparent in "people" services including children's social care, for support in relation to special educational need and disability, adults' social care and housing.
- 3.7 The second significant theme is capacity. This is raised both in relation to resource available to address demand, but also the capacity to progress necessary change projects alongside the day to day service delivery pressures,
- 3.8 Finally, it is clear that the financial pressures in both children's and adults' services, driven by increased demand and stretched resource (including external provision) is a threat to the organisation's financial sustainability, and the strategies in place to achieve affordability in both cases must be closely monitored.
- 3.9 Governance and Audit and Standards Committee are asked to consider the issues raised in the Appendices, and agree where any further information or action is required.

4. Equality impact assessment (EIA)

- 4.1 Any equality matters arising through performance or value for money consideration will be considered as a discrete process, as separate EIAs will be completed for these areas of work.

5. Legal Implications

- 5.1 The report has incorporated legal implications and accordingly there are no other immediate legal implications arising from this report.

6. Finance Comments

- 6.1 There are no financial implications to bring to member's attention at this stage. However, it should be noted that there could be further financial implications following further exploration of any of the performance issues raised in this report, and related future reports could result in financial implications. These will be flagged to members at the appropriate time.

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Signed by: Jon Bell, Director of HR, Legal and Procurement

Appendices: **Appendix 1- Summary of directorate issues**
 Appendix 2 - Performance issues
 Appendix 3 -Projects
 Appendix 4 - Risks

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

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<i>Key performance issues for consideration</i>	<i>Key project issues for consideration</i>	<i>Key risk issues for consideration</i>
CHILDREN'S SERVICES		
<p>Key performance Indicators for children's social care are holding up pretty well despite significant pressure on caseloads from continuing high demand on the service.</p>	<p>To be really effective our teacher recruitment and retention strategy needs more investment and a cross council approach. Significant progress made in Q3 and action plan agreed with PEP Teacher Recruitment & Retention Group. New brand for Teach Portsmouth in development. Package of support for teachers also in development.</p>	<p>Continuing high demand for children's social care creating high case- loads and risk to the quality of front line practice.</p> <p>Significant financial pressures exist largely as a result of increasing LAC numbers and placement costs.</p>
<p>Families who have Stepped Up to Childrens Social Care from Early Help in relation to the Targeted EH team and the wider Early Help network continues to be higher than expected</p> <p>A review has been commissioned to look at how best to strengthen the effectiveness of targeted early help in managing demand into social care</p>	<p>Many of the project lines are important elements of our financial sustainability strategy and are being closely monitored,</p> <p>Development of the 'Stronger Futures 2' strategic approach will promote Excellent Early Help, Family Practice and Care. Strategic proposals being tested by independent consultancy People Too.</p>	<p>Senior management change in Children and Families with the departure of the current Deputy Director this Autumn for a post in another authority.</p> <p>Going back out to market again as unable to appoint pre-Xmas.</p>
<p>In schools, fixed term exclusions have risen this year as has the percentage of young people in secondary schools who are</p>	<p>Funding for 12.5 posts in the 5-19 Early Help and Prevention service will come to an end on 31/3/20 which will reduce capacity by 144 families. This may be mitigated to some</p>	<p>Increasing evidence of difficulties recruiting and retaining teachers. This is a key risk over the coming few years as the graduate</p>

<p>"persistently absent" (missing 10% or more of sessions). We are also seeing slightly more young people on reduced timetables and choosing to be home educated. We continue to challenge individual schools with high levels of education exclusion judged by these indicators; there are a number of schools where the picture is much more positive and we are sharing best practice through the Portsmouth Education Partnership website.</p>	<p>extent if the contract for an integrated 0-19 Early Help service can be achieved by September 2019</p>	<p>population declines at the same time as the secondary school age population rises. Local ITT providers have reported a decline in numbers for 2018/19.</p>
<p>Provisional data is available for end of key stage outcomes and validated data will be available in Q4. The results are overall disappointing particularly at the end of Key Stage 2 (slight fall) and end of Key Stage 4 (no change), given the small increases we have seen nationally. Conversely we have continued to see a rise in the proportion of schools that are judged to be Good or better by Ofsted. Ofsted has agreed to run some workshops in Q4 to consult on the new framework and pull out examples of good practice from recent inspections in the city. We continue to develop our collaborative programme of school improvement through the PEP School Improvement Board that promotes school to school support and external challenge. The impact of the two SSIF bids have yet to be tested but it is hoped these will make a significant difference to the outcomes of disadvantaged pupils and</p>		<p>Pressure on the High Needs Block of the DSG to meet the cost of specialist provision for children with special educational needs. Portsmouth has until now bucked the trend through careful stewardship of the High Needs Block but we are predicting increasing pressure on this budget in the current financial year. In Q3 the Government announced additional funding for 2018/19 and 2019/20. This has removed the projected overspend and has enabled us to re-consider the changes that were going to the Cabinet Member e.g. banding for EHCPs in mainstream, reduction in special schools element 3 funding by 1%, cut to outreach by 10%. This will now be reviewed this year.</p>

<p>those on SEN. Some really strong practice is emerging from the SSIF bids which will be shared across the city.</p>		
<p>ADULTS' SOCIAL CARE</p>		
<p>Work is planned with Southampton University to advance the use for enabling technology in Portsmouth and there are signs that current systems are beginning to have an impact for residents.</p>	<p>The purchase of Oakdene has been confirmed in Q4, this will provide a better way to meet the needs of people with mental health challenges and mitigate financial exposure to inappropriate and costly residential care.</p>	<p>AIS/SWIFT replacement is due to be delivered in March 2019. There have been varied risk issues within this project and migration is due to commence in February with training throughout January & February.</p> <p>Budgetary pressure continues to be driven by increased complexity of need. The medium term financial strategy aims to return to financial balance.</p>
<p>Recruitment to the CIS service has been achieved and this is linked to the wider work of Health & Care Portsmouth in enabling appropriate care and support in the domestic, rather than the hospital environment.</p>	<p>Market shaping activity continues via the domiciliary care intervention and closer working with providers.</p>	<p>ASC continues to experience pressure due to staffing against demand and is working to outline a workforce strategy.</p> <p>Provider pressures continue to exist in the market, the quality team, (CCG/ASC) will mitigate, but this is a strategic piece of work and benefits are likely to be deferred.</p>
<p>PUBLIC HEALTH</p>		
		<p>Ongoing budget constraints by prioritising the work of the Public Health team</p>
<p>HOUSING, NEIGHBOURHOOD AND BUILDING SERVICES</p>		
<p>Housing Options (homelessness) the impact of the Homelessness Reduction Act and the increased duties is now being felt in the measures. The increase is not unexpected given the increased duties and should</p>	<p>Tower Blocks (Horatia & Leamington) - the report contains the project line for the rehousing of the residents in both blocks. A full suite of performance measures linked to the project is available on request and is</p>	<p>Tower Blocks (Horatia & Leamington) - risks associated with the issues leading to the decision to rehouse the residents are stated. The risk is mitigated with a range of</p>

APPENDIX 1 - DIRECTOR QUARTERLY SUMMARIES

<p>stabilise at the new levels. The underlying issues related to the supply of housing and increasing need to use temporary accommodation continues to be a concern.</p>	<p>being reported to the Cabinet Member for Housing on a weekly basis. A wider stakeholder update is being issued on a monthly basis.</p>	<p>measures in place.</p>
<p>Water Safety Group Reporting PCC has a statutory responsibility to have in place a water safety plan to address all of its water safety responsibilities for PCC assets. The structure in place includes the reporting of non-compliance issues via a PCC wide operational water safety group into a strategic water safety group meeting. The Water Safety Group will report any non-compliance issues to GASC. The trend is shown as N/A at this stage as no other data is available due to the measure being new.</p>	<p>Wilmcote House refurbishment - reflects the delayed completion as a red indicator but the works are complete. The project lines were due to be revised in Q.3 to include separate phases of work to refurbish the stairwells and refurbish the external courtyard area (residents have been consulted). That will now happen in Q.4. The refurbishment project remains open in its current form because of a new issue with fire doors. The contractor will replace these as part of the original contracted works.</p>	<p>Waste Management remains subject to external influences including the volatile market pricing for recyclable materials and the expected National Waste Management Policy. Hampshire County Council has slowed the plans for a Super Multi Recycling Facility until the national policy is announced. PCC remain part of an integrated partnership with Hampshire and Southampton as the disposal authorities in the region.</p> <p>The Waste Management team continue to work within those parameters to improve waste collection (wheelie bin) roll out and recycling (including Q.3 introduction of tetra banks in Supermarket locations).</p>
<p>Community safety - the measures are now broken down into the type of demands. Variation is felt depending on the priorities; the issue of fixed penalty notices for littering illustrates this. The measures are embedding and Q.3 data is addressing underlying accuracy issues in the previous quarter reporting.</p>	<p>Wheelie bin roll out - Q.3 roll out largely complete. The later part of Q.3 early Q.4 will deal with the ongoing requests for additional recycling bins etc. The bulk of the work is complete.</p>	<p>Universal credit roll out underway across Portsmouth. DWP led roll out but PCC are engaged to support residents/tenants with the transition. Focus of the tracking of the impact will be on the collection of rental income. Elsewhere UC is stated to have led to an increase in rent arrears.</p>
<p>Waste Management - Q.3 starts to show the impact of the wheelie bin roll out. The roll out was complete within Q.3. There are positive early signs in Q.3. Q.4 will start to show if the trends are improving as a direct result of the</p>		

roll out.		
REGENERATION		
<p>There are no key performance issues for consideration. Generally are on track to meet our objectives. The Directorate has been working to ensure statutory duties are met and that we are focussed on the key tasks that contribute to our corporate priorities and the regeneration of the city. We have made adjustments to some teams to enable delivery of important objectives such as improving air quality and the development of strategic sites.</p>		<p>Key project risks are outlined on the Projects page.</p> <p>There are some risks around consultation on major schemes such as coastal defences with the extra cost of delivery that may result from these processes.</p> <p>There are is also strategic developments of key sites that are in the early stages of programme management and careful engagement of third parties is vital.</p> <p>The risks to achieving the overall aims of the Directorate are mostly due to the uncertainty of future funding streams, resources and external factors beyond our control. These risks are being managed through a range of strategies that focus on good communication with Members, key stakeholders and funding agencies; ensuring that we continue to deliver services to a high standard; and careful workforce planning to ensure we have the right skills and resources in place.</p> <p>Nearing the date for exiting the European Union with the possibility of no deal causes a risk to the city as a port. This will impact our port and the road and other transport</p>

		<p>networks. We are working with Central Government and other local authorities and agencies to plan for this eventuality.</p>
<p>CULTURE AND CITY DEVELOPMENT</p>		
<p>The Summer reading challenge was a success and has surpassed the growth targets that are set for this programme year on year . Libraries continue to fulfil successfully their key role in improving literacy and providing opportunities for creative writing in the city</p> <p>The seafront management team's commercial activity , following a significant amount of research and benchmarking with other authorities , is starting to make a positive impact on supporting economic development and creating income through offering new concession sites out for business opportunities , encourage start-ups and providing business opportunities through negotiations on current leases</p>	<p>Preparations for a reasonable worst case scenario in a no-deal Brexit are increasing, and this is set to dominate many of the services activity in the directorate throughout Q4 2018/19 and beyond.</p>	<p>Capacity: staff reductions in most service areas are challenging service delivery and development, but also limit or slow the ability of officers and services to generate new income streams, generate new revenue and attract new funding sources that can offset the impact of savings. The next 2 quarter is the busiest months.</p> <p>The ability in each service area to deliver further savings without impact on service delivery, statutory functions or service point closure (e.g. libraries and museums) will be challenging in this budget round.</p>
<p>COMMUNITY AND COMMUNICATIONS</p>		

Overall a good second quarter for the directorate with no significant issues to raise, however as detailed further in this report, I would like to highlight the full service roll-out of Universal Credit as a key event in Q2 .

We are focusing on key priority areas and projects (both corporate and service), in particular around customer service, maximising revenue and income and partnership working with the voluntary sector and social enterprise partners.

Key risks are around capacity in some areas and external system provider response and delays in relation to GDPR.

HR, LEGAL AND PERFORMANCE

Ongoing strong performance in main "business as usual" areas for HR, Legal and Internal Audit	All projects within directorate on track for successful delivery, with exception of devolution, due to factors outside of directorate's control.	Ability of Legal Services to meet needs of organisation is hugely dependant on recruiting and retaining sufficiently skilled and experienced staff, which is increasingly becoming a challenge
Sickness absence remaining stable, but wellbeing project now well underway and showing early success	Business Intelligence is a long and complex project which will require ongoing development once initial implementation project is complete	Pay structure undergoing some pressure due to increasing need to re-evaluate job roles and cumulative effects of lower-than-inflation pay settlements
Apprenticeship programme continued to exceed original expectations	Directorate continues to play a key role in supporting other projects and providing governance for all projects	Ongoing budget saving requirements will continue to increase dependency on external income
Pay settlement for 19/20 successfully agreed with trade unions		
End to end recruitment times improving again after decline in previous quarter		

FINANCE AND IS

The forecast overspends in the highest spending areas are being addressed in the Annual budget. Generally, Financial Services are maintaining strong performance in the main BAU areas.	IT has a number of key & high profile projects in progress which are likely to draw on resources that are providing "Business As Usual" services. This may result in some disruption to normal business processes and service delivery plans. These projects, in particular, will be subject	Financial challenges remain the biggest risk to providing sustainable public services. Further increasing demand in the care services remain the highest risk area to the Council. A creative and innovative approach to income generation, regeneration, managing
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	<p>to close monitoring for delivery and cost.</p>	<p>demand and efficiency initiatives coupled with strong financial management are all crucial to avoid cuts in public services.</p> <p>IT are now starting to transform the network and application architecture for the whole Council. Once complete, this will enable anytime, anyplace access to systems and will improve disaster recovery provision. This transformation involves developing new knowledge and learning new skills. The network and application transformation needs to be delivered whilst supporting existing systems, customer projects as well as BAU demand.</p> <p>To manage the impact on normal day to day operations will require strong resource management and active prioritisation.</p>
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CHILDREN'S SERVICES							
Key function: Early Help and system transformation (including troubled families)							
Objective	2017/18 Baseline (where known)	Key progress Q1	Key progress Q2	Key progress Q3	Key progress Q4	RAG rating	Trend
Increase in Early Help Assessments NB: to be replaced for 2019/20 by Number of Early Help Plans	(Mar-18)	81%	83%	78%		GREEN	Drop to below Qtr 1
Number of families receiving targeted Early Help	422 (Mar-18)	350	352	332		GREEN	Number reduced slightly on Q2 report due to quicker closures by 6 months
a) % of ongoing social care cases with previous targeted Early Help Support b) % cases moving from Early Help to statutory response	a) 9.7% (Mar-18) b) 41.3% (Mar-18)	a) 12.8% b) 53.8%	a) 13.5% b) 47.6%	a) 17.2% b) 46.2%		AMBER	Plan is in place to ensure an effective early help response following appropriate step down process
Attachments to the Troubled Families programme	400	60	149	199		RED	Recovery Plan in place
Troubled Families PbR claims	70	39	130	236		RED	Recovery Plan in place

APPENDIX 2 - DIRECTORATE PERFORMANCE MONITORING

Measure of Healthy Child Programme (single measure to be determined - currently reporting against wider suite of HCP measures)	n/a	n/a	n/a	All indicators apart from 2 meet targets at U and UPP levels of delivery		AMBER	2 indicators have not met the targets this quarter due to service transformation
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Commentary:

All families within the 5-19 Early Help team have either an early help assessment underway or in place or a plan. Families in the 0-5 Early Help team (HV and FNP) are being reviewed to ensure there is either an EHA or Plan in place. Caseloads in the Early Help 5-19 team are almost at capacity.

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 There is a recovery plan in place for the Troubled Families Programme to increase attachments and PbR that is being monitored by Director of Children's Services and the MHCLG. Improvements have been made and the MHCLG have now released withheld funding due to improved performance

Early Help social workers to be in post by Q4 with associated processes to reduce escalation from 0-19 Early Help. One post in Central Locality has to go out to external advert. South and North has been recruited to

The Early Help teams will exception report from Q4 on those families who escalate to Childrens Social Care to understand the nature of this for service improvement reasons

Healthy Child Programme: all indicators for U and UPP have met target apart from Universal 1 and 2 year developmental assessments. Plan in place to achieve targets by Q4

Key function: Children's social care - assessment and intervention

APPENDIX 2 - DIRECTORATE PERFORMANCE MONITORING

Objective	2017/18 Baseline (where known)	Key progress Q1	Key progress Q2	Key progress Q3	Key progress Q4	RAG rating	Trend
Initial child protection conferences convened in 15 day timescale	70.53% (213/302)	76.71% (56/73) 76.71% YTD (56/73) YTD	84.09% (37/44) 77.5% YTD (93/120) YTD	84.00% (63/75) 80.10% YTD (157/196) YTD		AMBER	An area of improvement particularly given to increase in numbers of ICPCs
Case in the Public Law Outline and court proceedings are progressed in a timely way, measures through % court cases progressed within 26 week timescale	82.89% (63/76)	83.33% (15/18) 83.33% YTD (15/18) YTD	84.62% (11/13) 83.87%YTD (26/31) YTD	88.89% (16/18) 85.71% YTD (42/49) YTD		GREEN	PLO pre-proceedings being further strengthened post Ofsted inspection.
Number of children subject to child protection plans (and compared to statistical neighbours rate per 10.000)	288 (65.45)	261 (59.32) (56.4 SN average @ Mar-17)	240 (54.55) (56.4 SN average @ Mar-17)	211 (47.74) (53.6 SN average @ Mar 18)		AMBER	Steady trend of reducing CP Plans month on month
Referrals - contacts to MASH that result in referral to service	2136	521 (521 YTD)	464 (985 YTD)	556 (1541 YTD)		GREEN	Downward trend
Referrals - contacts to MASH that result in referral for Early Help (Both Targeted and wider service)	1688	726 (726 YTD)	768 (1494 YTD)	860 (2354 YTD)		RED	Significant upward trend
Overall open cases (At end of quarter)	1718	1763	1712	1757			Slight increase but manageable

Demand on the CSC service remains consistently high.

- Pre-proceedings PLO has been reviewed to bring greater timeliness and focus to these cases, the current expectation that pre-proceedings will be within 26 weeks is being reduced to 12 - 16 weeks to provide a sharper focus and avoid drift.
- Child Protection Plans are reducing and LAC numbers are increasing - however, analysis is being pulled together of this cohort in conjunction with increasing LAC numbers.
- There is tight scrutiny of all children becoming LAC and all placement arrangements with oversight and final verification provided by the Deputy Director Children & Families.#
- Open cases remain quite high but manageable.
- Teams are managing to maintain timeliness of performance re: 10 day assessments, so about a quarter to one third of new referrals across Locality Teams are achieved within 10 days (well within the overall statutory timescale of 45 days).
- 'Deep dive' performance data and trend analysis in February 2019 completed by CSC and Performance for January 2018 to December 2018 calendar year reveals:
 - CP numbers are coming down and LAC numbers are going up
 - LAC has increased by 20.4%
 - CP has decreased by 27%
 - There has been an average reduction of -5.4 CP Plans per month
 - Overall, open cases have increased by 6.3% to stand at 1,757 in December 2018:
 - peaking in February 2018 to 1,763; and,
 - dipping in August 2018 to 1,647
 - Care applications were issues in respect of 121 children from 75 families
 - New care applications average out at 6 sets of proceedings / 10 children per month
 - September 2018 had the highest number with 10 sets of proceedings / 21 children
 - Relatively speaking:
 - the last quarter of 2018 (Oct - Dec) saw less care applications (5 sets of proceedings / 9 children); and,
 - the first quarter of 2018 (Jan - Mar) saw the most care applications (23 sets of proceedings / 40 children)
 - In terms of the destination for children ceasing to have a CP Plan:
 - 248 (73.0%) - became CIN
 - 73 (21.60%) - became LAC
 - 17 (05.03%) - were transferred out to other LAs
 - Total: 338 (100%)
 - Care proceedings (both the sets of proceedings / no. of children) over the past three years have increased**
 - Looking at the first 10 months of 2018/19 we are predicting the year end result (in March 2019) to be slightly lower than the 2017/18 high, although notably higher than 2015/16 and 2016/17 **

Key function: Children's social care - Youth Offending Team							
Objective	2017/18 Baseline (where known)	Key progress Q1	Key progress Q2	Key progress Q3	Key progress Q4	RAG rating	Trend
YOT caseloads	91	93	84	89		Red	A reduction on previous 2 quarters but remain high
Address first-time entrants to youth justice system (number of first time entrants in the quarter)	Not yet available	16	19	25		Red	
Reduce reoffending (data from Youth Justice Board – historical periods)	Not yet available	40 (47.5%)	Not yet available	Not yet available			
Commentary: YOT Service Leader has initiated improvement plan which is being overseen by the YOT Management Board which receives comprehensive performance reporting updates <ul style="list-style-type: none"> Improvement plan has included peer review with Southampton and follow up internal review planned 							

Key function: Children's social care - Looked after children and care leavers

APPENDIX 2 - DIRECTORATE PERFORMANCE MONITORING

Objective	2017/18 Baseline (where known)	Key progress Q1	Key progress Q2	Key progress Q3	Key progress Q4	RAG rating	Trend
Increase number of in-house foster carers	226	216	224	232		AMBER	Slow start to the year is now starting to pick up.
Reduce reliance on external foster carers (independent providers)	83	92	90	86		AMBER	Even with increase in LAC numbers, the reliance on IFA placements has reduced.
Increase stability in placements	14% 64%	Short term 15.4% (67/435) Long term 63.87% (76/119)	Short term 18.34% (84/458) Long term 66.67% (78/117)	Short term 17.57% (84/478) Long term 64.29% (81/126)		AMBER	Drop in short term stability is linked to the increased demand.
Reduced care periods (measured by average days in care)	305 - 0-5 1250 - 6-13 1150 - 14+	354 days Aged 0-5 1347 days Aged 6-13 1131 days Aged 14+	353 days Aged 0-5 1353 days Aged 6-13 1128 days Aged 14+	401 days Aged 0-5 1265 days Aged 6-13 1171 days Aged 14+		AMBER	Duration of care episodes for 0-5 has increased and is of concern

APPENDIX 2 - DIRECTORATE PERFORMANCE MONITORING

Increase in numbers of children registered as privately fostered	6	4	7	9		GREEN	Good performance in terms of assessments on time
Increase in numbers of children returning home from care	32/193 16.6%	5/27 (18.52%) 5/27 YTD (18.52%) YTD	7/37 (18.92%) 12/64 YTD (18.75%) YTD	2/42 (4.76%) 14/106 YTD (13.21%) YTD		AMBER	This is a fairly consistent trend
Strength and Difficulties Questionnaire (SDQ) average scores of all completed SDQs (17+ is High level need)	13.6	12.13	Not available	Not available		AMBER	High level need is over 17 and we have 76 children scoring high (out of 263). All are known to CAMHS.
Increase in number of SDQs completed	64.6%	66.58% (247/371)	Not available	Not available		GREEN/ AMBER	Remains consistent
Suitable accommodation available for care leavers.	84%	85.06%	84.04%	76.79%		AMBER	This has dropped in the last quarter.

Commentary:

Commentary:

- Foster care recruitment is back on track with event planned for January 2019. The challenge is staffing capacity to respond to the peaks in demand. Currently have 18 carers in assessment, excluding Connected Carers (family & friends) or Supported Lodgings, plus 7 Lodgings assessments underway.
 - 50 of the IFA placements are due to increasing numbers of UAMs.
 - New contract with external provider (Street Support) has created semi-independent accommodation placement capacity for UAMs. The implementation of this model will be accelerated as a VFM option.
 - 5 children have had 7 or more placements in a year and 43 YP are not in same placement for more than 2.5 years (of whom 3 are at home and 10 have been in same placement >18 months)
 - Placement stability continues to be a concern - slight improvement in the % are linked to increased numbers of LAC overall rather than improvement in performance. Targeted reviews of children in the high risk group are being undertaken to determine remedial action.
 - Drop in percentage of children returning home needs to be explored further. Focus on reunification as part of the new Safeguarding Families strategic approach is key.
 - Numbers remain low for Private Fostering, reflecting the national picture, but have increased this quarter.
 - Practice continues to improve around completion of SDQs. The next focus is to look at how the information is used to improve care planning.
- The drop in suitable accommodation for Care Leavers needs to be understood in the context of a significantly increasing number of care leavers within a reducing housing range stock. There is a targeted action, including commissioning arrangements and Housing Options developments, to address this.

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Key function: Children's social care - safeguarding monitoring

Objective	2017/18 Baseline (where known)	Key progress Q1	Key progress Q2	Key progress Q3	Key progress Q4	RAG rating	Trend
Percentage of newly-qualified social workers	20.8% (Mar-18)	22.91% (23.6/103fte)	21.2% (21/103fte)	17.1% (17.6/103fte)		AMBER	Seven ASYEs at moderation panels in Q2. 4 NQSWs for interview Feb 2019

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Retention of qualified social work staff, measured by % staff employed for over 2 years	58% (Mar-18)	54%		57%		AMBER	Retention has reduced
Number of referrals to Local Authority Designated Officer	235	88 (88 YTD)	80 (168 YTD)	73 (153 YTD)		GREEN	Number are above the baseline and continue to increase
Number of issues resolved through challenge and escalation process	45	3 (3 YTD)	18 (21 YTD)	8 (29 YTD)		AMBER	Numbers have dropped significantly and continue to be low overall
Number of staff accessing Social Work Matters Skills Academy and feedback				12 ASYEs		GREEN	Formal feedback scheduled for Feb 19.

Commentary: There is a need to reduce reliance on ASYE's across the service. Retention post ASYE is increasing - which should assist.

Key function: Education: Inclusion							
Objective	2018 Baseline (where known)	Key progress Q1	Key progress Q2	Key progress Q3	Key progress Q4	RAG rating	Trend

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No. of SEN statements/EHC plans (% of SEN statements/EHC plans)	1378 (% not in source.)	Next data from DfE Release is due May 2019				Amber	The number of EHC Plans continues to rise
% of CYP (0-25) transferred from SEN statements to EHC plans (deadline of 31 st March 2018)	22.1%	Next data from DfE Release is due May 2019				Green	All SEN statements were transferred to EHCPs by the deadline of 31 st March 2018
% of new EHC plans issued within 20 weeks (excluding exceptions)	98.4% Calendar Year 2017.	Next data from DfE Release is due May 2019				Green	Portsmouth continues to perform significantly above the national average for timeliness of EHCPs
% PEPs completed on time (to be moved in 2018/19 to reporting with LAC responsibility)	265/275 96.36% (recorded on CCM)	275/292 97%	183/270 68%	SSA = 100% Post 16 = 100%		Green	Increase to 100%

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<p>Overall absence from primary schools (Number in brackets is national average)</p>	<p>4.0% (4.0%) for 2016/17 from SFR 18 2018 State funded primary schools.</p>	<p>Next data from DfE Release is due March 2019</p>	<p>Green</p>	<p>Overall absence from primary schools is in line with national average.</p>
<p>Overall absence from secondary schools (Number in brackets is national average)</p>	<p>6.2% (5.4%) for 2016/17 from SFR 18 2018 State funded secondary schools.</p>	<p>Next data from DfE Release is due March 2019</p>	<p>Red</p>	<p>Overall absence from secondary schools is above national average. A publicity and behaviour change campaign is planned for the Autumn term.</p>

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<p>Persistent absence from primary schools</p> <p>(Number in brackets is national average)</p>	<p>8.5% (8.3%) for 2016/17 from SFR 18 2018 State funded primary schools.</p>	<p>Next data from DfE Release is due March 2019</p>	<p>Amber</p>	<p>Persistent absence from primary schools is slightly above national average and continues to be carefully monitored via the Behaviour and Attendance Group.</p>
<p>Persistent absence from secondary schools</p> <p>(Number in brackets is national average)</p>	<p>17.1% (13.5%) for 2016/17 from SFR 18 2018 State funded secondary schools.</p>	<p>Next data from DfE Release is due March 2019</p>	<p>Red</p>	<p>Persistent absence from secondary schools is above national average.</p>
<p>No. of Permanent exclusions from school</p> <p>(Previous year's figure in brackets)</p>	<p>16 in 2015/16 (13 in 2014/15 equivalent)</p>	<p>13 DfE Statistical Release 19th July 2018. Next data set due July 2019.</p>	<p>Green</p>	<p>Permanent exclusions continue to be low.</p>

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<p>No. of fixed period exclusions from school (Previous year's figure in brackets)</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 205</p>	<p>1738 in 2015/16 (1392 in 2014/15 equivalent)</p>	<p>1824 DFE Statistical Release 19th July 2018. Next data set due July 2019.</p>	<p>Red</p>	<p>Fixed period exclusions are rising. The figure varies considerably between schools and is impacted by external factors such as a changes in leadership / academy status. Exclusions are monitored via BAG and schools are challenged robustly where exclusions have risen.</p>
<p>Primary first preference offers made to applicants (%)</p>	<p>89 in 2017/18 96 in 2016/17 85 in 2015/16)</p>	<p>Data is available in June each year</p>	<p>Green</p>	<p>Portsmouth ranked in top quartile of LAs nationally</p>
<p>Secondary first preference offers made to applicants (%)</p>	<p>90 in 2017/18 84 in 2016/17 87 in 2015/16)</p>	<p>Data is available in June each year</p>	<p>Amber</p>	<p>Portsmouth ranked in second quartile of LAs nationally</p>

APPENDIX 2 - DIRECTORATE PERFORMANCE MONITORING

Commentary: School absence, both overall and persistent absence) at secondary remains above national and is rising. Fixed period exclusions are rising. Permanent exclusions remain low.

APPENDIX 2 - DIRECTORATE PERFORMANCE MONITORING

Key function: Education: Sufficiency, participation and resources - capital schemes							
Objective	2018 Baseline (where known)	Key progress Q1	Key progress Q2	Key progress Q3	Key progress Q4	RAG rating	Trend
Completion of 1000 place school rebuild of King Richard School (PSPB R1) by September 2017	Building works on site and on schedule	Demolition of the former King Richard School commenced in June.	Demolition of the former King Richard School has been completed.	Project complete		Green	No change

APPENDIX 2 - DIRECTORATE PERFORMANCE MONITORING

<p>Rebuild of Beacon View Primary and Arundel Court Primary and rebuild/refurb of Mayfield secondary school (PSPB R2) by 2020</p>	<p>Options appraisal stage with ESFA</p>	<p>Mayfield design and feasibility progressed well, however, the Education and Skills Funding Agency has put the project on hold until September, as they are considering re-procuring the project due to cost differences with the framework contractor.</p>	<p>Mayfield project was previously put on hold and is now due to be re procured.</p>	<p>Arundel Court: works commenced on site on 7th January</p> <p>Beacon View: works commenced on site as planned</p> <p>Mayfield School: the design, competition and procurement process re-commenced in December 2018</p>		<p>Amber</p>	<p>No change</p>
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APPENDIX 2 - DIRECTORATE PERFORMANCE MONITORING

<p>Completion of priority capital works to address urgent condition issues (school modernisation programme 2017/18)</p>	<p>Schemes underway</p>	<p>All projects are RAG rated Green. There are 4 projects from 2017/18 remaining and due for completion during the summer holiday period. There are 13 projects underway from the 2018/19 programme of works.</p>	<p>All projects from the 2017/18 modernisation programme are now complete. The 2018/19 programme of works are now underway.</p>	<p>All projects are currently RAG rated Green with the exception of Northern Parade Schools where completion is delayed until March 2019. The work is being done in phases to minimise disruption to the school.</p>		<p>Green</p>	<p>No change</p>
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APPENDIX 2 - DIRECTORATE PERFORMANCE MONITORING

<p>Primary sufficiency Phase 2 – deliver an additional 600 school places (Northern Parade, Craneswater Junior, Langstone Junior, Moorings Way Infant, Arundel Court Primary, Newbridge Junior)</p>	<p>Schemes underway</p>	<p>Northern Parade: Handover of Leadership block was undertaken in June. Due to poor weather the contractor has a revised scheduled completion date of the end of September, this is currently to be agreed.</p> <p>Craneswater Junior School: There is no change to the completion date of 12th October.</p>	<p>Northern Parade: Staff building and LRC building complete and handed over. External works largely complete.</p> <p>Craneswater Junior School: Summer work to lower school completed and handed over.</p>	<p>Northern Parade Schools: complete</p> <p>Craneswater Junior School: complete</p>		<p>Amber (both)</p>	<p>No change</p>
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APPENDIX 2 - DIRECTORATE PERFORMANCE MONITORING

<p>Secondary sufficiency Phase 1 – provision of additional secondary school places to create 2-3% surplus in the short to medium term (Springfield School, Miltoncross Academy, St Edmund’s Catholic School, The Portsmouth Academy)</p>	<p>Works underway. Minor delay at Springfield</p>	<p>Springfield School: Works on site complete. Some snagging works have been agreed but as yet the school have yet to agree the increase to the admission number until all works are finalised.</p> <p>The Portsmouth Academy: Project design progressing well and to programme. Planning approval received.</p>	<p>Springfield School: investigation required on the condition of the sports hall floor.</p> <p>The Portsmouth Academy: Detailed design complete and project out to tender</p>	<p>Springfield School: snagging works complete. Options for the sports hall floor which has shown signs of cracking on the new surface are being reviewed with the school.</p> <p>The Portsmouth Academy: tenders returned within budget and contractor formally appointed. Due to commence on site in Q4 (Feb 2019)</p>		<p>Green</p>	
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APPENDIX 2 - DIRECTORATE PERFORMANCE MONITORING

<p>Remodelling of Special School provision at Clifffdale Primary and Redwood Park Academies</p>	<p>Detailed design is underway. Clifffdale Primary is progressing whilst funding is awaited for Redwood Park</p>	<p>Work commenced on site at Clifffdale in June with completion expected in January 2019.</p> <p>Design work is underway at Redwood Park with the balance of funding £1m still awaiting SoS approval following Schools Forum endorsement to use part of the DSG carry forward.</p>	<p>Clifffdale Primary Academy: The modular nature of the buildings has allowed the majority of the groundworks and structural frame to be installed over the summer holiday period. Works on target.</p> <p>Redwood Park Academy: Working with procurement, PCC has joined the NHS framework and in September, Darwin Group were appointed to develop the design. Works on site expected in April 2019 and completion in August 2019.</p>	<p>Clifffdale Primary Academy: works are due to be completed in Q4 (early Feb 2019)</p> <p>Redwood Park Academy: planning application submitted in Oct 2018, tender price return is expected in Q4 (end of Jan 2019). Works on site are expected to commence in April 2019 and completed by August 2019.</p>		<p>Green (both)</p>	<p>No change</p>
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APPENDIX 2 - DIRECTORATE PERFORMANCE MONITORING

Refurbishment of Vanguard Centre and relocation of Harbour @Fratton and Harbour @Milton by September 2017	Works underway	Works currently underway and on programme - due to be completed in Q3 (October 2018)	Works underway.	Project complete		Green	No change
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APPENDIX 2 - DIRECTORATE PERFORMANCE MONITORING

<p>Secondary feasibility studies to establish how PCC could increase capacity to meet growing demand from 2019 onwards (Charter Academy, The Portsmouth Academy, Admiral Lord Nelson School)</p>	<p>Feasibility studies underway</p>	<p>Design work progressing well on all identified schemes. All currently on programme.</p>	<p>Charter Academy: Detailed design complete and planning application submitted.</p> <p>The Portsmouth Academy: Design complete. Gateway 3B approved and out to tender.</p> <p>Admiral Lord Nelson School: Following the location and route of a major water main, the re design has been completed and planning application made.</p>	<p>Charter Academy: design work is progressing well. Planning approval is expected in Q4 (Jan 2019). The tender pack is due to be issued at the end of January, with returns by mid-April 2019.</p> <p>Admiral Lord Nelson School: design has progressed well and a planning application has been submitted - approval expected in Q4 (Feb 2019)</p>		<p>Green</p>	<p>No change</p>
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Commentary: All capital projects are overseen by a project board with stakeholder engagement throughout.

Key function: Education: Sufficiency, participation and resources - NEET and post-16 strategy

Objective	2018 Baseline (where known)	Key progress Q1	Key progress Q2	Key progress Q3	Key progress Q4	Rag Rating	Trend
% 16-18 year olds NEET	3.8% (3 month average Jan-Mar 2018)	4% (3 month average Apr-June 2018 MI)	3.9% (Please note: 2 month average July-Aug 2017 MI, as Sept MI won't be submitted until 31/10/17)	3.9% (3 month average Oct-Dec 2018 MI)		Green	No change
% 16-18 year olds unknown	0.9% (3 month average Jan-Mar 2018)	0.6% (3 month average Apr-June 2018 MI)	0.9% (Please note: 2 month average July-Aug 2018 MI, as Sept MI won't be submitted until 31/10/18)	8.6% (3 month average Oct-Dec 2018 MI) Quarter 3 results reflect an increase in the number of unknowns at the start of the academic year.		Green	Increase (see mitigating factors)

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% participation in education/training at age 16	95% (3 month average Jan-Mar 2018)	94.2% (3 month average Apr-June 2018 MI)	93.7% (Please note: 2 month average July-Aug 2018 MI, as Sept MI won't be submitted until 31/10/18)	85.9% (3 month average Oct-Dec 2018 MI) Quarter 3 results reflect an increase in the number of unknowns at the start of the academic year.		Green	Decrease (see mitigating factors)
% participation in education/training at age 17 Page 217	88.8% (3 month average Jan-Mar 2018)	88.7% (3 month average Apr-June 2018 MI)	88.4% (Please note: 2 month average July-Aug 2018 MI, as Sept MI won't be submitted until 31/10/18)	83.8% (3 month average Oct-Dec 2018 MI) Quarter 3 results reflect an increase in the number of unknowns at the start of the academic year.		Green	Decrease (see mitigating factors)
Achievement of Level 2 (including English and Maths) by 19	62% (2016/17)	Next data from DfE Release is due March 2019				Red	Awaiting data
Achievement of Level 3 by 19	49% (2016/17)	Next data from DfE Release is due March 2019				Red	Awaiting data

APPENDIX 2 - DIRECTORATE PERFORMANCE MONITORING

Commentary: NEET figures remain on track. The April to July average figures reflect the expected pattern on participation and NEETs for this time in the academic year.

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Key function: Education: School improvement

Objective	2018 Baseline (where known)	Key progress Q1	Key progress Q2	Key progress Q3	Key progress Q4	RAG rating	Trend
Early Years Foundation Stage - % achieving Good Level of Development	71.0% (final 2017)	70.5% (2018 final) Annual indicator, quarterly data not available.				Amber	Very small decrease
Year 1 Phonics Screening % working at the standard	77% (final 2017)	79% (2018 provisional) Annual indicator, quarterly data not available.				Amber	Increase
KS1 Reading, Writing and Maths combined - % at least expected standard	61.9% (final 2017)	62.9% (2018 provisional) Annual indicator, quarterly data not available.				Amber	Increase
KS2 Reading, Writing & Maths - % at least expected standard	57% (final 2017)	57% (2018 provisional) Annual indicator, quarterly data not available.				Red	No change
KS2 Reading Average Progress Score	-1.5 (final 2017)	-1.6 (2018 final) Annual indicator, quarterly data not available. 2018 not directly comparable to 2017 due to change in methodology.				Red	Decrease
KS2 Writing Average Progress Score	-1.8 (final 2017)	-2.1 (2018 final) Annual indicator, quarterly data not available. 2018 not directly comparable to 2017 due to change in methodology.				Red	Decrease

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KS2 Maths Average Progress Score	-1.5 (final 2017)	-1.8 (2018 final) Annual indicator, quarterly data not available. 2018 not directly comparable to 2017 due to change in methodology.	Red	Decrease
4-9 in English and maths 5-9 in English and maths	58.4% (final 2017) 37.2% (final 2017)	57.1% (2018 provisional) 37.0% (2018 provisional) Annual indicator, quarterly data not available.	Red	Decrease
KS4 Attainment 8	42.3 (final 2017)	40.9 (2018 provisional) Annual indicator, quarterly data not available.	Red	Decrease
KS4 Progress 8	-0.13 (final 2017)	-0.33 (2018 provisional) Annual indicator, quarterly data not available. 2018 not directly comparable to 2017 due to change in methodology.	Red	Decrease
% entered EBacc	43.1% (final 2017)	45.0% (2018 provisional) Annual indicator, quarterly data not available.	Green	Increase
EBacc average points score	New indicator, no previous data.	3.59 (2018 provisional) Annual indicator, quarterly data not available.	Red	

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% schools judged to be good or better (of those schools that have been inspected in current or previous form)	84.1% (as at 31 March 2018) Change to indicator - Ofsted now include predecessor school's outcome for uninspected schools.	85.7% (as at 30 June 2018)	85.7% (as at 30 September 2018)	87.3% (as at 30 December 2018, only includes outcomes published by 9 January 2019)		Green	Increase
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Commentary: provisional data for EYFSP, Phonics, KS1 and KS2 is disappointing with little change, whilst national figures have increased. Attainment data is only available but in Q2 progress data will become available and provisional data for KS4.

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Objective	2017 Baseline (where known)	Key progress Q1	Key progress Q2	Key progress Q3	Key progress Q4	RAG rating	Trend
SERVICE: ADULT SERVICES							
Key Shift 1: Position technology at the heart of the care and support offer							

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<p>Increasing use of technology from trusted advice and signposting to retail offers, through to developing a technology first culture at every contact.</p>				<p>Adult Mental Health (AMH)</p> <p>Increase in awareness and training being provided in order to improve consideration of Tech in care management.</p> <p>Adult Learning Disability (ALD)</p> <p>Review commencing of the current use of Tech and identifying a champion to link in to developments and increase consideration within the team of including in care planning.</p> <p>Older People and Physical Disability (OPPD) Service</p> <p>Assistive Technology Intervention commenced, enabling better understanding of how to integrate assistive technology as part of care and support plans. Next phase will involve relevant experimentation.</p> <p>Service-Wide</p> <p>Assistive Technology Project Board broadened to include Housing and Health partners, to develop partnership approaches and to share learning.</p>			
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APPENDIX 2 - DIRECTORATE PERFORMANCE MONITORING

Objective	2018 Baseline (where known)	Key progress Q1	Key progress Q2	Key progress Q3	Key progress Q4	RAG rating	Trend
Key Shift 2: Increasing responsibility of communities to enable people to have control							
To create self-serve, self-directed support, self-management, and co-produce service offer leading to an individualised community-focussed ASC support offer.				Heads of Service developing 90 day plans to ensure work aligns to delivery of Adults Strategy. Key shift 2 is one shift that needs specific work programme identified during this quarter.			

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Key Shift 3: Target and limit PCC investment in Reablement/ rehabilitation services

Objective	2018 Baseline (where known)	Key progress Q1	Key progress Q2	Key progress Q3	Key progress Q4	RAG rating	Trend
<p>To use an evidence-base that's consistently collected, analysed and agreed to de-commission services that are not demonstrating a Value For Money impact for customers and invest in new schemes as appropriate.</p>				<p>Oakdene:</p> <p>Work continues to develop supported living accommodation to service users from a variety of current placements including residential care settings who have been identified as being able to live more independently. Project expected to include 12 x one bed flats and 1 x five bed shared scheme with the site as a whole having 24/7 care.</p> <p>Community Independence Service (CIS) (New Models of Care):</p> <p>Under service expansion plans, 3 more Reablement Assistants recruited (due to commence in Qtr 4).</p>			

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Key Shift 4: Unlock the market through outcome-based contracting and commissioning

Objective	2018 Baseline (where known)	Key progress Q1	Key progress Q2	Key progress Q3	Key progress Q4	RAG rating	Trend
To lead, facilitate, develop and shape the provider market with less investment in block contracted services to drive and support quality improvements within the provider market.				Comprehensive analysis of Domiciliary Care system continued in Qtr 3, using systems thinking method for review. 'Check' phase completed. Redesign phase to commence in Qtr 4.			
Ensure consistency in supported housing contracted services;				Strategic Accommodation Board established with Housing colleagues in attendance. Purpose is to overview accommodation for vulnerable adults to improve quality, consistency and capacity.			

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<p>To ensure real opportunity for people to manage their care and support through Personal Budgets</p>				<p>Adult Mental Health / Adult Learning Disabilities:</p> <p>Reviewing how to include people with lived experience in the development of contract monitoring and reviewing of services.</p> <p>Introducing the Recovery Star as part of measuring outcomes for people linking to contractual requirements.</p>			
<p>To increase volunteer/ community sector involvement in design and delivery of services.</p>				<p>Scoping has begun to ascertain opportunities to improve experience of long term residential customers utilising universities and voluntary sector.</p> <p>Business case being developed for perm volunteer coordinator to manage volunteer and voluntary services activity across units to maximise value.</p>			

Key Shift 5: Bring together all PCC provided (regulated) services

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Objective	2018 Baseline (where known)	Key progress Q1	Key progress Q2	Key progress Q3	Key progress Q4	RAG rating	Trend
<p>To enable efficient and effective workforce planning, estates management, standard setting and understanding and demonstration of CQC regulations.</p>				<p>Focus has been directed towards consistent and sustainable compliance to CQC regulatory KLOE & fundamental outcomes standards being in place across units.</p> <p>Staffing levels across units are continuing to be reviewed to ensure safe levels are maintained during the estate management plan implementation.</p> <p>In relation to closure of Edinburgh house 2019 & Hilsea Lodge 2020, staff consultation is well underway with formal consultation commencing 30th of Jan 19. Robust transition plans in place for residents and staff.</p> <p>Developing D2A offer to support urgent care and reduce hospital delays.</p>			

APPENDIX 2 - DIRECTORATE PERFORMANCE MONITORING

PUBLIC HEALTH								
Key function: Address the health effects of the built environment								
Page	Objective	2017 Baseline (where known)	Key progress Q1	Key progress Q2	Key progress Q3	Key progress Q4	RAG rating	Trend
239	Improve air quality, targeting Air Quality Management Areas (AQMA) - Support development of a Feasibility Study to achieve air quality compliance, as required by March 2018 Ministerial Directive	Nitrogen dioxide (NO2) monitoring indicates that levels in AQMA 6 exceeds the National Air Quality Objective (NAQO) levels: Current annual mean (2016/7):		Reporting complete and Study submitted to DEFRA Ongoing Ongoing	Complete Ongoing Using findings to support development of the draft strategic outline business case			
	1. Provide evidence and insight to the Air Quality Board	49.16 µg/m3 to 43.09 µg/m3)						

APPENDIX 2 - DIRECTORATE PERFORMANCE MONITORING

<p>2. Work with Transport and partners to implement findings of Feasibility Study</p>	<p>Target annual mean: 40 µg/m³</p>	<p>Ongoing</p>	<p>Participation in Air Quality Steering Group. Deadline for Action Plan originally planned for October 2018, now October 2019.</p>	<p>(formerly 'Action Plan')- due 31.01.19 Weekly attendance at the Air Quality management group, that addresses ongoing and arising issues on the topic.</p>			
<p>3. Support implementation of the Air Quality Action Plan</p>			<p>Ongoing</p>	<p>Working with Transport Comms to deliver anti-idling campaign using behavioural insights on travel survey</p>			
<p>Contribute behavioural insights and evidence to initiative to improve air quality</p>							

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<p>Increase physical activity rates from current baseline with a focus on walking and cycling</p>	<p>2016/17: 66% adults physically active</p>	<p>Ongoing</p>	<p>Continuing to deliver a range of activities at an individual and population level through the Physical Activity Alliance and Wellbeing Service, and with partners through the planned Long-Term Condition Hubs.</p>	<p>Continuing to support Physical Activity Alliance. Working towards increasing incidental physical activity through</p>			
<p>Provide evidence and behavioural insight to the Local Cycling and Walking Infrastructure Plan</p>	<p>N/A</p>	<p>Ongoing</p>	<p>Local Cycling and Walking Infrastructure Plan on hold due to loss of delivery officer in Transport. Offering advice on other topics as and when requested.</p>	<p>As Quarter 3</p>			

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Provide support to the implementation of the Local Plan	N/A	Ongoing	Ongoing. Regular meetings between Transport and Planning.	Ongoing. Development of a Health Impact Assessment for inclusion in the Local Plan underway.			
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Commentary:

Delivery mechanisms on this topic are moving rapidly as DEFRA alters deadlines and parameters of work schemes. Currently supporting transport on the draft Strategic Outline Business Case and the Sustainable Cities bid - to include funding to extend the existing bus rapid transit scheme.

APPENDIX 2 - DIRECTORATE PERFORMANCE MONITORING

Key function: Work in partnership with children's and families

Objective	2018 Baseline (where known)	Key progress Q1	Key progress Q2	Key progress Q3	Key progress Q4	RAG rating	Trend
Ensure procurement / contractual options for health visiting and school nursing services are progressed	Contracts run until end June 2019	2019/20 budget discussion with the Leader of the Council which has proposed a way forward.	Progress continues to be made with discussions on-going between officers, elected members and partners.	Completed			

APPENDIX 2 - DIRECTORATE PERFORMANCE MONITORING

Scope and appraise procurement/contractual options to inform Council decision making processes	As above	N/A	Thorough scoping of an in-house service and delivery through a Section 75 mechanism undertaken. Informal Cabinet briefing in August. Working towards Cabinet decision in November 2018 (Q3).	Completed			
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APPENDIX 2 - DIRECTORATE PERFORMANCE MONITORING

<p>Secure agreement and proceed to implementation according to agreed timescale</p>	<p>As above</p>	<p>N/A</p>	<p>N/A</p>	<p>Cabinet paper decision on Healthy Child Programme future commissioning arrangements presented on 8th November.</p> <p>Director of Children's and Families to implement section 75 arrangement. Current contract expires end June 2019</p>		<p>On-going</p>	
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APPENDIX 2 - DIRECTORATE PERFORMANCE MONITORING

Key function: Reduce harm caused by substance misuse

Objective	2018 Baseline (where known)	Key progress Q1	Key progress Q2	Key progress Q3	Key progress Q4	RAG rating	Trend
Complete an audit of drug related deaths, including deaths due to prescription drugs	9.3 deaths per 100,000 (55 deaths) during 2014-2016 (significantly higher than England)	An audit of drug related deaths has been undertaken, however the final findings and presentation is yet to be delivered. This will be delivered to the Safer Portsmouth Partnership and the Clinical Commissioning Group in July 18.	Audit completed and presented to the Safer Portsmouth Partnership. Actions to reduce drug related deaths have been implemented.	Completed			
Provide Naloxone through pharmacies to prevent opiate overdose deaths	Project approved via the public health transformation fund	This project went live on the 18 th June 2018 in 8 pharmacies spread across the city. They have commenced distributing Naloxone	Project continuing	Project continuing			

APPENDIX 2 - DIRECTORATE PERFORMANCE MONITORING

Key function: Reduce suicide and self-harm in the city

Objective	2018 Baseline (where known)	Key progress Q1	Key progress Q2	Key progress Q3	Key progress Q4	RAG rating	Trend
Delivering and coordinating the delivery of, actions within Portsmouth's Suicide Prevention Plan	13.3 deaths by suicide per 100,000 persons in 2014-16 (Portsmouth is significantly higher v 9.9 per 100,000 for England)	Partnership established, quarterly reporting timelines & processes agreed and complete	Quarterly Partnership meeting held. Task and Finish Group for priority projects set up and in progress. On target to complete 2018/19 actions.	Continuing. Actions within the Suicide Prevention Action Plan that are CCG led have been suggested for inclusion in the CCG Operating Plan for 2019/20 (so alignment). In the process of securing external funding for suicide prevention activities (including self harm) across Portsmouth and Southampton (waiting for formal confirmation). Have secured funding for a Time to Change Hub operating across the two cities.			

APPENDIX 2 - DIRECTORATE PERFORMANCE MONITORING

<p>Establish a self-harm sub-group, which reviews the findings of the self-harm needs assessment 2017, makes recommendations, and co-ordinates actions to deliver recommendations</p>	<p>Hospital admissions as a result of self-harm (10-24 years) 545.7 per 100,000 (Portsmouth is significantly higher v 404.6 per 100,000 for England)</p>	<p>Group established June 2018</p>	<p>Group met once but needs to engage wider group of partners. Meeting with Hampshire lead in December to discuss a SHIP wide group that undertakes work to meet recommendations. Some priority actions already being undertaken.</p>	<p>Continuing. Application for UoP summer student submitted who, if successful, will undertake analysis on self-harm hospital activity plus examining other aspects.</p>			
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Commentary

Suicide prevention activities on target. Self-harm will be prioritised from January 2019 (post December meeting with Hampshire).

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APPENDIX 2 - DIRECTORATE PERFORMANCE MONITORING

Key function:

Reduce unwanted pregnancies by increasing access to Long-Acting Reversible Contraception (LARC) in general practice, maternity and abortion pathways, and strengthening LARC pathways with vulnerable groups

Objective	2018 Baseline (where known)	Key progress Q1	Key progress Q2	Key progress Q3	Key progress Q4	RAG rating	Trend

<p>Develop a Plan for increasing LARC uptake (jointly agreed with Solent and the CCG);</p> <p>A. In primary care;</p> <p>B. In Termination of Pregnancy (ToP) services ;</p> <p>C. In vulnerable groups (including Looked After Children (LAC), care leavers, and women who are at risk of or have had children taken into care).</p>	<p>Under 25's that choose LARC (excluding injections) at sexual and reproductive health services: 35.8% in 2016 (v 20.6% for England) (not able to determine whether better/worse than England)</p> <p>Under 18 conception rate significantly higher than England 26.4 per 1,000 in 2016 (v 18.8 per 1,000 for England)</p>	<p>Sexual health lead returning from maternity leave. Introduction back to work undertaken to inform project plans.</p> <p>a) Taken to practice manager forum to identify practices who are looking to increase activity. Linking them with Solent training offer. Solent producing different promotional material which can be used by GP practices. Scoping also undertaken to inform improvements required as part of the EHC pharmacy locally commissioned service pathway. Student Health Needs Assessment completed, including a section on sexual health.</p> <p>b) Exploration of current ToP pathway. British Pregnancy Advisory Service (BPAS) are producing a proposal for CCGs to consider regarding pre-consultations regarding contraception.</p> <p>c) Scoping of opportunities to inform the project plan</p>	<p>a) STP paper on increasing LARC in primary care taken to STP board meeting: Increasing LARC in primary care supported but no funding will be released from STP to support this workstream. Working with CCG to look at current pathway of contraception for non-contraception purposes. Uni practice started a sexual health clinic for students registered to their GP practice (funded by CCG).</p> <p>b) Additional training in BPAS to increase access to contraception. Still waiting for the proposal regarding pre appointment consultation on contraception from BPAS service.</p> <p>c) Initial meeting set up with SSJ & SHS to discuss pathways/opportunities. Relationship developed between Robert Centre & SHS so vulnerable clients have a quick, easy pathway into the sexual health service (including Adept & Care Leavers in the Boost Programme). Initial meeting to look at pathways into SHS's for CYP identified as low, med, high risk of CSE. SHS due to attend LAC team meeting. SHS attending Hub team meetings. Transformation 3 programme for SHS initiated: while looking at generating savings workstream initiated to ensure most vulnerable are not effected & have easy /direct access into the sexual health service.</p>	<p>a)letter soon to go out inviting GPs to re joint the LARC LCS. Will also be provided information about how staff can be accredited to deliver, recommend partnerships, and highlight option to sub-contact Solent staff into clinic. Solent currently producing the costings. HB researching other training options (e.g. through pharma companies). Uni GP Practice are keen to deliver LARC and some interest in other areas.</p> <p>b) ToPs increasing to rise. Understanding of pathways for LARC into Solent service to provide baseline before finalising bid for funding for telephone consultation on</p>	
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APPENDIX 2 - DIRECTORATE PERFORMANCE MONITORING

<p>Influence the new SHIP wide maternity specification to strengthen LARC advice, access and pathways within maternity services</p> <p style="text-align: center;">Page 241</p>	<p>Local maternity system transformation programme underway</p>	<p>Provided proactive input to CCG maternity commissioners who are leading this work for SHIP</p>	<p>Discussions are continuing to progress this work. Refreshed specification not yet updated. Prevention workstream of local maternity system transformation programme being established.</p>	<p>Prevention worksteam now not being established. Continuing to make contact with maternity commissioners, maternity transformation programme manager and public health contribution feeding into LMS Board (via Hampshire). Service specification still in development.</p>			
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APPENDIX 2 - DIRECTORATE PERFORMANCE MONITORING

Commentary:

There has been complaints in the community about lack of access to LARC appointments in the SHS service, some of this is due to the IT booking system. The SHS have a workstream in place to address this & a lead within the SHS who reviews every reported complaint. There may be more complaints about lack of appointments generally within the SHS in the future as the service has to cap the number of appointments available to fit within the upper cap of the contract (vulnerable residents will be prioritised), however the service report that there is no access issue - patients can get a coil or implant within 4-6 weeks. Clarity is being provided to Pharmacies & Gps regarding pathway to access emergency IUD. More work required for 20-29 year olds, especially more vulnerable.

ToP rate higher than national average. Portsmouth Total LARC uptake rate is still higher than national rate. Removal rate for LARC within 12 months is higher than England rate (this needs to be explored further, current research by Solent indicates that the idea of a foreign object in their body and irregular bleeding appears to be the main reason for removals. Repeat ToPs rate is lower than national rate.

APPENDIX 2 - DIRECTORATE PERFORMANCE MONITORING

Key function: Reduce the prevalence of smoking in pregnancy

Objective	2018 Baseline (where known)	Key progress Q1	Key progress Q2	Key progress Q3	Key progress Q4	RAG rating	Trend
Undertake a deep-dive self-assessment to reduce smoking in pregnancy	Smoking status at time of delivery: 12.7% in 2016/17 for Portsmouth significantly higher v 10.7% for England	Made arrangements to lead a multi-agency smoking in pregnancy self-assessment	Multi-agency steering group has met. Further training for midwives has been agreed for January 2019. Working closely with CCG commissioners to ensure standards are being met.	External training has been commissioned for midwives and Wellbeing Service staff - to be delivered in January. This training will meet some of the key actions identified in the deep-dive self-assessment			
<p>Commentary</p> <p>29.01.19: There has been more strategic priority to address smoking in pregnancy identified in the NHS Long Term Plan. Also a new Head of Midwifery has just started her role in Portsmouth, and there will be a change of organisational structure which may impact on progress (increase/reduce).</p>							

HOUSING, NEIGHBOURHOOD AND BUSINESS SERVICES

APPENDIX 2 - DIRECTORATE PERFORMANCE MONITORING

Key function: Housing Management - To provide advice and support when needed, to enable people to solve problems and cope to stay in their homes

Objective	2017 Baseline (where known)	Key progress Q1	Key progress Q2	Key progress Q3	Key progress Q4	RAG rating	Trend
1. Rental Income - Rent Arrears	£1.3M	£1.1M	£1.25M	£1.26M		A	Stable
2. Rental Income - Rent Arrears as a percentage of Gross Annual Debt (GAD)	1.73%	1.47%	1.71%	1.72%		A	Stable
3. Voids Measure - Occupancy Rate	98.8%	98.5%	98.5%	98.6%		G	Stable
4. Former Tenancy Debt (Condition 8)	£385K	£378K	£361K	£349K		G	Improving

Commentary

Commentary:

Objective 1 & 2: The slight increase in Q3 is reflective of the seasonal trend in Rent Arrears that is expected around the Christmas and New Year period.

Objective 4: This is the element of Former Tenancy Debt that we are recovering from current PCC Housing tenants under Condition 8 terms (Condition 8 is a signed agreement from a current resident to maintain regular payments against a Former Tenancy Debt)

Key function: Repairs and Maintenance - The right repair at the right time

APPENDIX 2 - DIRECTORATE PERFORMANCE MONITORING

Objective	2017 Baseline (where known)	Key progress Q1	Key progress Q2	Key progress Q3	Key progress Q4	RAG rating	Trend
1. For all repairs undertaken by our repairs service providers, the percentage that were fixed first time	83.8% (n.52,171)	83.6% (n.10,599/12,678)	84.2% (n.11,391/13,530)	83.6% (n.11,065/13,231)		G	Stable
2. Repair service provider Customer Satisfaction (out of 10)	9.99	9.98	9.98	9.98		G	Stable
3. Valid Fire Risk Assessments - six storeys and above (%)	100% (n.40/40)	97.6% (n.40/41)	97.6% (n.40/41)	100% (n.41/41)		G	Stable
4. Valid Fire Risk Assessments - five storeys and below (%)	99.8% (n.1058/1060)	99.7% (n. 1059/1062)	99.6% (n.1,059/1,063)	99.9% (n.1,062/1,063)		G	Stable
5. Fire Risk Assessment Reviews Outstanding - six storeys and above (%)	0% (n.0/40)	2.5% (n.1/41)	0% (n.0/41)	0% (n.0/41)		G	Stable

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APPENDIX 2 - DIRECTORATE PERFORMANCE MONITORING

6.	Fire Risk Assessment Reviews Outstanding - five storeys and below (%)	0.1% (n.1/747)	1.5% (n.11/747)	0% (n.0/747)	0% (n.0/750)		G	Stable
7.	Council Owned Legionella risk assessments in date (%)	98.1% (n.101/103)	99% (n.101/102)	98.0% (n.99/101)	99.0% (n.101/102)		A	Stable
8.	Council Dwelling Gas Safety Certificates in date	98.9% (n.13,122/13,268)	98.5% (n.13,113/13,310)	97.8% (n.13,033/13,320)	98.8% (n.13,146/13,305)		A	Stable
	Dwelling Electrical Safety Certificates in date	98.3% (n.14,293/14,540)	99.2% (n.14,430/14,550)	99.5% (n.14,788/14,861)	99.7% (n.14,333/14,374)		G	Improving
10.	Communal Electrical Safety Certificates in date.	98.4% (n.779/792)	97.1% (n.768/786)	97.0% (n.772/790)	97.1% (n.773/796)		A	Stable
11.	Emergency Lighting Drop Test in date	99.8% (n.487/488)	96.4% (n.482/500)	99.4% (n.513/516)	98.1% (n.510/520)		A	Stable
12.	Dry Riser Test in date	100% (n.63/63)	100% (n.63/63)	100% (n.65/65)	100% (n.63/63)		G	Stable

APPENDIX 2 - DIRECTORATE PERFORMANCE MONITORING

Commentary:

Objective 4: The outstanding FRA relate to new build scheme at Steep Close. FRA is planned as part of a scheme handover

Objective 7: There is one outstanding Legionella Risk Assessment that has been booked to be carried out

Objective 8: Out of date certificates are as a result of failed access or new build schemes where stock data is being captured. Every opportunity is taken to gain access with court action used as and when necessary. All the out of date certificates are in the process of gaining access. Numbers are normally expected to rise slightly in the summer as this is the period when most safety inspections are completed as the demand for repairs to breakdowns is at its lowest

Objective 9: Out of date certificates are as a result of failed access. Every opportunity is taken to gain access with court action used as and when necessary.
All the out of date certificates are in the process of gaining access

Objective 10: All of the properties that do not currently have an in date communal electrical certificate are subject to a refurbishment scheme being undertaken by the Building Projects Team. New certificates will be carried out as part of these works

Objective 11: There are ten tests outstanding due to how previous tests were batched creating peaks of demand, the plan is to arrange future tests so that there are no peaks.

APPENDIX 2 - DIRECTORATE PERFORMANCE MONITORING

Notes:

Notes:

Objective 4: This figure includes all blocks below five storeys, irrespective of whether there is a communal area (this is a legacy figure)

Objective 6: This figure shows the blocks with actual communal areas which require an FRA

Objective 7: In accordance with the legislation [Legionella Regulations - L8 Approved Code of Practice - The control of legionella bacteria in water systems] as an employer PCC has to complete and regularly review a risk assessment for all communal water installations. In accordance with the corporate PCC Legionella Policy the assessment period has been set at every three years, although this is not a legal requirement

Objective 8: The Gas Safety (Installation and Use) Regulations 1998 requires Landlords to use a Gas Safe Registered contractor to ensure that each appliance flue and installation pipework [owned by the Landlord] is checked for safety within 12 months of being installed and at intervals of not more than 12 months since it was last checked for safety

Objective 9: Electrical inspections to identify any works required are recommended to be undertaken every 10 years although this is not a legislative requirement, this measure identifies the number of dwellings where electrical certificates do not exceed 10 years as a percentage of all housing stock

Objective 10: This is not a legislative requirement but good practice in accordance with the IET Wiring Regulations - Fixed Electrical Wiring - Electrical Installation Condition Report - BS7671:2008 advises that communal areas should be tested every five years as a minimum

Objective 11: This is not a legislative requirement but good practice in accordance with - Emergency lighting Testing - BS 5266: Part 8, 2004 (BS EN 50172: 2004) - Emergency Lighting Systems. The British Standard recommends that an annual test is carried out to ensure the back-up batteries used to energise the lighting in the event of a mains power failure last for a minimum of three hours. Most emergency light fittings have a green LED that shows when the battery is charging, such installations are checked monthly and repairs raised for any fittings which don't appear to be charging

Objective 12: Dry risers are a pipework installation installed in taller buildings (commonly six stories and above) that the Fire and Rescue service connect their firefighting appliance to in the event of an emergency. This then makes water available to their hoses at a connection point on each floor

Key function: Water Safety Plan - New Measure for Q3

APPENDIX 2 - DIRECTORATE PERFORMANCE MONITORING

Objective	2017 Baseline (where known)	Key progress Q1	Key progress Q2	Key progress Q3	Key progress Q4	RAG rating	Trend
1. Water Safety Group escalation of non-conformance (number of incidents either accepted derogations, added to PCC risk register or remediated).	N/A			0 Incidents		G	N/A
<p>Commentary: Objective 1: PCC has a statutory responsibility to have in place a water safety plan to address all of its water safety responsibilities for PCC assets. The structure in place includes the reporting of non-compliance issues via a PCC wide operational water safety group into a strategic water safety group meeting. The Water Safety Group will report any non-compliance issues to GASC. The trend is shown as N/A at this stage as no other data is available due to the measure being new.</p> <p>Notes The Water Safety Group's next meeting is scheduled for 15 February 2019 where it will review which further measures that will be reported to GASC (risk assessments, Deputy Controller vacancies, training requirements)</p>							

APPENDIX 2 - DIRECTORATE PERFORMANCE MONITORING

Key function: Housing Options - Provide a suitable home when needed.							
Objective	2017 Baseline (where known)	Key progress Q1	Key progress Q2	Key progress Q3	Key progress Q4	RAG rating	Trend
1. Households joining the Housing list. average per month	95.3	163	170	136		N/A	Increasing
2. No of Properties let - all tenures average per month	80.6	79	80	59		A	Decreasing
3. Number of households making a homelessness approach over the quarter	285	318	384	377		N/A	Increasing
4. Number of approaches where homelessness was prevented over the quarter.	N/A	48	50	54		A	Increasing
5. Number of approaches where homelessness was relieved over the quarter	N/A	24	110	73		A	Increasing
6. Number of legally required homeless decisions made following homeless approaches	139	192	145	183		G	Stable

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APPENDIX 2 - DIRECTORATE PERFORMANCE MONITORING

7. Number of approaches judged intentionally homeless over the quarter	8	13	11	17		N/A	Stable
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Notes:

Objectives 3, 4, 5, & 6: As a result of the Homeless Reduction Act, in line with our expanded duties as a Local Authority under the new Act, Objectives 4 & 5 are new and 3 & 6 have been reviewed. In line with this, the number of approaches was expected to increase in Q2 and this has proven to be the case. In Q3 the number of approaches reflects the rise in Q2 and the increase appears to be stabilising

Objective 2: The number of properties let has decreased in Q3 due to the rehousing of tenants from Leamington and Horatia House. The effect of this is expected to fall away in following quarters as this work is completed.

Objectives 1, 3, & 7: Do not show a RAG rating - this is because these are records of the number of approaches made and are therefore not measures; the Directorate can have no impact on these figures as they just reflect the situation in households within the Portsmouth area, the data is included for information only.

Objectives 4 & 5: Do not show a baseline as this has yet to be established

Key function: : Private Sector Housing - To enable a person to live in a safe environment, which meets their needs							
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Objective	2018 Baseline (where known)	Key progress Q1	Key progress Q2	Key progress Q3	Key progress Q4	RAG rating	Trend
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APPENDIX 2 - DIRECTORATE PERFORMANCE MONITORING

1. The total number of private sector dwellings that were made safe for occupants to live in.	301	36	80	81		G	Stable
2. Number of Disabled Facilities Grants works completed	152	36	57	62		G	Stable

Commentary:

Objective 1: Overall 228 inspections were undertaken, with works still being undertaken in a large number of properties

Objective 2: There are currently 65 approved applications with works ongoing

Notes:

Objective 1: This can be defined as the removal of any significant defect that could affect the health, safety or welfare of any occupant over the next 12 months and includes fire safety, damp and mould or excess cold issues. This covers owner occupied, private rented and Houses in Multiple Occupation dwellings. The baseline of 301 refers to the Local Authority Housing Annual Statistic produced for Ministry of Housing, Communities and Local Government

Objective 2: The baseline of 152 refers to the annually approved completed number by the Better Care Fund board for 2017/18

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Key function: Leasehold Services - The correct charge at the right time with help and support when needed

Objective	2018 Baseline (where known)	Key progress Q1	Key progress Q2	Key progress Q3	Key progress Q4	RAG rating	Trend
4. No of Leasehold Properties	2015	2020	2024	2031		N/A	Increasing
5. Annual Income (per quarter) (£)	£869,719	£904,412	£905,767	£912,759		G	Increasing
6. Arrears to Date (£)	£79,358	£57,466	£75,666	£69,162		G	Stable

Commentary:

Notes:

Objective 1: The purpose of this information is to track the current number of Leasehold Properties. The Directorate cannot affect or impact on this number so it should be defined as a statement of the current position rather than as a measure, it is therefore intended for information only

Objective 2: The purpose of this measure is to report on the quarterly income based on estimated service charges. This income will increase proportionally as new leaseholders are added

Objective 3: The purpose of this measure is to report the current arrears. The baseline figure is based on average arrears for 2017-18. It is worth noting that the process of estimating service charges and the reconciling against actual expenditure will result in a peak in arrears in Q2 every year

Key function: Right to Buy: Supporting tenants to meet their obligations when they pursue their Right to Buy Option (NEW MEASURE)

Objective	2018 Baseline (where known)	Key progress Q1	Key progress Q2	Key progress Q3	Key progress Q4	RAG rating	Trend
1. RTB Pre-App Sent (Interest) (No.)	N/A	89	98	75		N/A	Stable
2. RTB Applications Sent (No.)	N/A	22	23	21		N/A	Stable
3. RTB Accepted (No.)	N/A	26	23	28		N/A	Stable
4. RTB Applications Withdrawn (No.)	N/A	6	9	7		N/A	Stable
5. RTB Properties Sold (No.)	72	5	12	19		N/A	Increasing

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Commentary:

Objective 1: The purpose of this objective shows the level of interest in the RTB. In the old process everyone who showed an interest received a form. The Pre-App not only provides tenants with guidance and advice of what becoming a homeowner requires but also robust identity checks, finance checks and eligibility checks.

Objective 2: The purpose of this objective shows the drop off of in interest following the Pre-App stage as only applicants that return a fully completed Pre-App will be sent a RTB application form

Objective 3: The purpose of this objective shows genuine prospective home owners from the original "interest"

Objective 4: The purpose of this objective shows that applicants will still choose to withdraw and this usually occurs when they are in possession of purchase price (after discount) and service charges (if Leasehold)

Objective 5: The purpose of this objective is to show the rate at which our properties are selling. The baseline of 72 is an annual figure.

Notes:

Objective 1, 2, 3 & 4: The RTB process was reviewed during 2017. The focus of the review included ensuring that tenants were more informed about the benefits and burdens of property purchase. The resulting changes allowed for the more specific measures to be given but were not in place to allow the inclusion of a 2018 baseline figure

Objective 2, 3, 4 & 5: These figures may include RTB Pre-Apps that were sent out in preceding quarters, not all are accepted, withdrawn or sold within the quarter they were originally sent out so it is reasonable to expect that these figures increase throughout the year as more Pre-Apps are issued

Objectives 1 to 4: These do not show a RAG rating as the figures cannot be affected and are just a record of the RTB applications sent out, withdrawn, accepted and finalised during the relevant quarter

Key function: Dog Kennels - To meet the statutory requirement to accept and house all stray dogs and to ensure as many as possible are reunited with their owners, or given a suitable new home

Objective	2018 Baseline (where known)	Key progress Q1	Key progress Q2	Key progress Q3	Key progress Q4	RAG rating	Trend
1. Total number of Portsmouth dogs accepted	80	61	61	58		G	Stable
2. % of stray dogs returned to their owner or rehomed	87.5%	95%	91%	88%		G	Stable

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Commentary:

Objective 1: A marginal reduction in the number of dogs accepted was experienced

Objective2: The slight decrease in the percentage of dogs returned to their owner or rehomed is due to timing for received, reunited or rehomed dogs and the fixed reporting period

Notes:

There are no current concerns in relation to the Dog Kennels in Portsmouth

Key function: Clean City Team - To help keep the city safe, clean and tidy and provide help and support where needed

Objective	2018 Baseline (where known)	Key progress Q1	Key progress Q2	Key progress Q3	Key progress Q4	RAG rating	Trend
1. Issuing of fixed penalty notices - littering (quarter)	52.5	75	46	60		G	Stable
2. New demands per month (avg) - Anti-Social Behaviour	32	70	78	46		A	Stable
3. Rough Sleepers - New demands per month (avg)	25	27	28	25		A	Stable
4. Rough Sleepers - Repeat Interactions (Support & Advice) per month	N/A	N/A	19*	100		A	Stable
5. Rough Sleepers - Associated Interactions (Abandoned Bedding, tents etc.) per month	N/A	N/A	28	13		A	Stable

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6. New demands per month (avg) - Drug related	14	23	23	27		A	Stable
7. New demands per month (avg) - Dog fouling	38.25	21	20	32		A	Stable

Commentary:

Objective 1: Reduction in Summer levels of ASB has meant resource diverted back to waste issues

Objective 2: Seasonal decrease as evenings are darker

Objective 4: *Since the recording of this measure began, the capture of the data has evolved to enable better and more accurate recording. As a result, Q2's record of 19 Repeat Interactions with Rough Sleepers is an anomalous figure

Objective 3, 4 & 5: Work is continuing to address Rough Sleeper issues through Joint Agency working. Good levels of engagement with rough sleepers and some repeat contacts to provide support within the figures, also High St Wardens team expanding scope of service as displacement from High St areas occurs - this (along with better recording of repeat interactions) has increased the count of repeat interactions with rough sleepers. It is worth noting that around 5 individuals with over 30 interactions where support needs/issues are high. Casework and multiagency work is ongoing for these individuals

Objective 6: The Directorate has been mapping areas with high levels of drug litter, such as Public Conveniences and working with the Society of St James and Outreach to target users at these sites

Objective 7: This is a seasonal increase; incidents of dog fouling are more frequent in the darker evenings

Notes:

Objective 1: The baseline for 2018 is an average, of which the total figure for the year is 210

Objectives 3, 4 & 5: The detail for Rough Sleeper demand has been expanded in Q2 to take into account the elements of the overall demand that are Repeat and Associated Interactions. There are currently no baseline figures for 4 & 5.

Key function: Waste Management (Collection and disposal) - To enable recycling and remove waste on the due collection day

Objective	2018 Baseline (where known)	Key progress Q1	Key progress Q2	Key progress Q3	Key progress Q4	RAG rating	Trend
1. To reduce the tonnage of bulky waste on LAH land	40.32	39.62	37.69	38.3		G	Stable
2. Refuse collection tonnage (avg per month)	3962	4071	3874	3642		A	Stable
3. Recycling tonnage (avg per month)	692	685	680	682		A	Stable
4. PCC recycling contamination rate	11.2%	14.25%	12.73%	13.16%		A	Stable
5. Number of members of the Green waste club	7961	8283	8546	8531		G	Stable
6. PCC recycling rate	24.7%	24.8%	24.8%	24.8%		A	Stable
7. Fly Tipping	23.86	27.61	30.61	25.11		A	Stable

8. Bin Collection (misses - average per day)	13	17	17	36		A	Stable
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Commentary:

Objective 1: Includes only 1 full month post roll out of waste collection changes

Objective 3: Reduction in recycling national trend - loss of paper quantity and light weighting of packaging. Aim of change to wheeled bins is to maximise recycling from waste stream. Only 1 full month of post roll out data

Objective 4: Contamination checks are carried out on each recycling round vehicle and the contents examined to determine the levels of contamination. Programme of contamination checks starts w/c 14 January - post waste changes

Objective 5: Most sign ups in spring

Objective 7: Fly tip tonnage usually higher in Q1 and Q2, have identified two perpetrators of multiple large fly tips in Q2 - court cases in progress and still pending

Objective 8: Figure as percentage still very low but jump is due to roll out of wheeled bins. Whilst days did not change, the rounds did and some residents did not place bins out before 7am in the first few weeks. In addition, the reporting of side waste as 'missed' has led to the increase in the figures. **Q3 figures comprised of October average 42 per day, November 37 per day and December 28 per day so the trend is decreasing**

Notes

Objective 1, 2, 3 & 7: All tonnes per month - due to publication of data, this is always one month behind e.g. Q3 is September, October and November

REGENERATION

Key function: Transport and Environment

Objective	2017 Baseline (where known)	Key progress Q1	Key progress Q2	Key progress Q3	Key progress Q4	RAG rating	Trend
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<p>Delivery of the 2018/19 Local Transport Schemes to improve the transport network and road safety (LTP3)</p>	<p>Planned capital programme for 2018-19 consisting of 38 schemes.</p>	<p>The programme is phased in accordance with staff resources to address highest priorities and where best value can be gained through coordination with lifecycle works by Ensign.</p> <p>10 of the schemes are in scoping, feasibility, and consultation stage.</p> <p>9 are at the design stage.</p> <p>8 are under construction and 3 are complete.</p> <p>8 projects are scheduled to begin later in the year.</p>	<p>Significant progress has been achieved this quarter with 9 of the schemes in scoping, feasibility, and consultation stage.</p> <p>11 are at the design stage.</p> <p>3 are under construction and 11 are complete.</p> <p>3 projects are scheduled to begin later in the year.</p>	<p>Steady progress. Schemes are at the following stages:</p> <p>1 being scoped.</p> <p>6 ready for consultation.</p> <p>7 in detailed design ready for construction.</p> <p>3 in procurement stage.</p> <p>6 under construction/implementation.</p> <p>12 completed.</p> <p>2 projects scheduled to begin later in the year have had their funding reallocated to support a prioritised LTP scheme.</p>		<p>AMBER</p>	<p>Stable</p>
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<p>Highway alterations carried out by private developers and other non-Highway Authority bodies meet the standards of the Highways Authority</p> <p>Page 265</p>	<p>Demand led work determined by the rate of development in the city that affects the highway.</p>	<p>8 schemes were satisfactorily completed and under maintenance. 3 schemes are currently on site.</p> <p>2 schemes have had their designs approved and are ready to commence. 6 schemes now require design check input.</p>	<p>10 schemes were satisfactorily completed and under maintenance. 2 schemes are currently on site.</p> <p>2 schemes have had their designs approved and are ready to commence. 9 now require design check input</p>	<p>9 schemes are now under maintenance. 1 scheme, previously under maintenance in Q2, was satisfactorily signed off. 4 schemes are currently under construction. 3 schemes have their designs approved and are ready to commence. 6 proposed designs are currently being reviewed</p>		<p>GREEN</p>	<p>Stable</p>
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<p>Maintenance and where possible, improving journey times on key routes in the city.</p>	<p>Monitoring data is now available for the Eastern Road route. Further routes are planned for installation.</p>	<p>Average journey times on both of the West and East Corridors in and out of the city have remained stable at under 7.5 minutes.</p>	<p>Average journey times on the East Corridor in and out of the city remained stable at under 7.5 minutes. Journey times were unavailable for the West Corridor this quarter as the equipment was removed for the Anglesea Road Junction improvement project.</p>	<p>Average journey times on the East Corridor in and out of the city have remained stable at under 7.5 minutes. Journey times are still unavailable for the West Corridor as equipment is yet to be refitted to the Anglesea Rd Junction following the improvement project. This should be resolved in Q4.</p>		<p>GREEN</p>	<p>Stable</p>
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<p>Delivery of the Air Quality Action Plan</p>	<p>New objective. The main focus will be on transport schemes but will include schemes from the City Development, Public Health and Energy services.</p>	<p>Consultation with key stakeholders is underway for the development of the action plan. A Targeted Feasibility Study was procured for Air Quality Management Area 6 (London Road/Kingston Road). Full consultation on the plan will begin in Q3.</p>	<p>Possible measures have been identified to bring about compliance with the Ambient Air Quality Directive in the shortest timescale. These will be modelled to indicate which scenarios would offer the best results for inclusion within the Air Quality Action Plan.</p>	<p>Following PCC being issued with a Ministerial Directive to produce an Air Quality Local Plan by 31.10.19, work on the Air Quality Action Plan is on hold. The measures identified through the detailed AQ Local Plan will determine the measures taken forward in the AQ Action Plan. Work already undertaken will inform the work of the AQ Local Plan.</p>		<p>GREEN</p>	<p>Stable</p>
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<p>Delivery of targeted accident prevention and traffic safety campaigns.</p>	<p>Road Safety and Active Travel programme for 2018-19.</p>	<p>The following projects were delivered in Q1:</p> <p>Highway works to improve road safety at 3 school sites.</p> <p>Banners are now displayed to keep school Zig-zag areas clear.</p> <p>Our film launched to promote child car seat safety has had 350+ views, followed by 11 requests for free car seat checks.</p> <p>Walk to School Week assemblies for around 1,500 pupils.</p> <p>General road safety assemblies for a further 200 pupils.</p> <p>Mode shift training for teachers.</p> <p>Road safety training for 930 secondary school pupils.</p> <p>Attended the Junior Road Safety Officer events with 50 JRSOs.</p>	<p>The following projects were delivered in Q2:</p> <p>Road safety training delivered to 380 pupils.</p> <p>Staged 2 Exchanging Places events reaching 250+ members of the public</p> <p>Launched Pompey Monster Walk to School Week at 2 more schools for 550 pupils.</p> <p>Bikeability training was delivered to 437 pupils.</p> <p>Launch of both the Family Cycle Grant and the Cycle Training Scheme.</p>	<p>The following projects were delivered in Q3:</p> <p>Developed new Junior Road Safety awards scheme - Portsmouth Smart Steps, involving 19 schools.</p> <p>Delivered road safety training to 530 pupils.</p> <p>Bikeability delivered to 324 pupils.</p> <p>58 people were issued with bikes and cycle equipment under the Cycle Grant.</p> <p>90 people were allocated places on cycle skills training.</p> <p>Close Pass event had 14 cars stopped for an education on giving cyclists more space.</p>		<p>GREEN</p>	<p>Stable</p>
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<p>Implement the Local Cycle and Walking and Investment plan (LCWIP).</p>	<p>New objective</p>	<p>Data collection completed and preparation for Stakeholder Mapping on 1st August 2018.</p>	<p>WSP, our dedicated consultant from the DfT for the LCWIP, are progressing tasks for its development. Output from this work will be reviewed and shared with stakeholders.</p>	<p>Portsmouth City Council have been awarded 30 days DfT technical support to develop a Local Cycling and Walking Infrastructure Plan, which will be provided by WSP; commissioned by PCC to develop the entire LCWIP to ensure a consistent approach</p>		<p>G</p>	<p>Stable</p>
<p>Increase the use of off street managed car parks</p>	<p>Improvements to key car parks had increased use of these sites.</p>	<p>All off-street car parks have been inspected. Possible improvements, including targeted marketing, are being reviewed.</p>	<p>IKB Multi Storey is now used to capacity on most days.</p>	<p>15 additional season tickets in Clarence Street Car Park were sold in Q3.</p>		<p>GREEN</p>	<p>Stable</p>

Enforcement of residents' parking zones to increase space for residents	New objective	A review of patrol routes is underway to improve the efficiency and effectiveness of parking enforcement.	The review of patrol routes is progressing and now includes the recent decision to implement new residents parking zones MB/MC (implemented early January).	A review of options is underway to reduce travel time for Civil Enforcement Officers to increase efficiency.		GREEN	Stable
Increase the deterrent against abandoning vehicles. Page 270	New objective	So far action has been taken against people who abandon vehicles, resulting in them paying five penalty notices. Four more people are under investigation.	We are progressing to formal interview in three of the four extra cases under investigation.	12 new investigations have begun to establish responsibility for abandoning cars.		GREEN	Improving

Commentary:

Progress has been made in delivering the 2018/19 Local Transport Schemes with most in the delivery stage or complete.

We have responded to the ministerial directive to produce an Air Quality Local Plan by collaborating across services and feeding in work already undertaken. This is a significant piece of work for the Directorate and we have aligned our resources to achieve the deadline.

Work continues to reach as many young people as possible to travel safely using active modes of transport.

Work to make better use of the off-street car parks is now progressing to further sites and work to increase the efficiency of parking enforcement is underway.

Key function: Economic growth, Employment and Business Support

Objective	2018 Baseline (where known)	Key progress Q1	Key progress Q2	Key progress Q3	Key progress Q4	RAG rating	Trend
Increased business survival by providing businesses with targeted business support	87.9% survival at 12 months. Start-up rate of 16.9%,	Figures will remain the same this quarter until we receive the next set of data.	92.2% survival at 12 months. Start-up rate is remains at 16.9%	No new figures. Still 92.2% survival at 12 months and start-up rate is 16.9%		AMBER	Stable
Completion of the new Economic Development and Regeneration Stratgy	New objective	The Issues and opportunities survey was launched and the evidence base was commissioned. 1 to 1 business consultations are underway.	The evidence base is now finalised. All 1 to 1 business consultations have been completed. Oxford Economics piece of work completed.	Draft Economic Development and Regeneration Strategy 2019-36 produced and awaiting internal review.		AMBER	Stable

<p>Commercial success of the Enterprise Centres, measured through occupancy levels and income.</p>	<p>Occupancy rates - 88-89%.</p>	<p>Occupancy rates remain at 88-89%. Income is on target.</p>	<p>Occupancy rates remain at 88-89%. Income is on target. Lettings of units will show an increase in Q3 reporting.</p>	<p>Occupancy at 92-93%. Increased income being used to improve the Enterprise Centres. Continued increasing occupancy into Q4.</p>		<p>GREEN</p>	<p>Stable</p>
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<p>Successful delivery of all Employment, Learning and Skills Service (ELS) programmes and contracts.</p>	<p>Number of people supported to gain skills and move into employment.</p>	<p>Employment and Training Contracts continue to achieve Minimum Performance Levels and are maintaining quality assurance.</p> <p>The Construction Training Facility at PCMI is undergoing expansion plans due to a demand for construction workers.</p>	<p>All contracts are achieving Minimum Performance Levels. The Construction facility expansion is delayed due to difficulty recruiting the right person to lead on the expansion.</p>	<p>Most programmes are delivering on performance levels, with the successful completion of the Solent Jobs Fund programme. There is minor under performance reflecting national picture for the DWP Work and Health programme but work is underway to address the shortfall and improvements expected in Q4.</p>		<p>AMBER</p>	<p>Stable</p>
<p>Growth of apprenticeships provided within the Council delivered by the ELS</p>	<p>Number of apprentices supported by the ELS.</p>	<p>Numbers are steadily increasing from approx. starts 24 per academic year to 38 for this year.</p>	<p>Numbers continue to grow with 47 apprentices currently on programme.</p>	<p>Numbers have stabilised with 41 currently on programme.</p>		<p>GREEN</p>	<p>Stable</p>

Commentary:

The development of the new Economic Development and Regeneration Strategy is progressing steadily and is ready for internal review.

The Enterprise centres have increased occupancy levels and continue to receive new enquiries. All three centres are being improved to remain up to date with the needs of businesses. The high speed broad band is being rolled out all centres with high satisfaction rates from businesses.

The Employment Learning and Skills (ELS) service are continuing to achieve good outcomes for local people. Construction training programmes are under development to enable construction workers to become site ready.

A number of people have completed Level 2 and Level 3 apprenticeships in Business and Administration and Customer Service apprenticeships, with a steady flow of new Apprenticeships being initiated.

Key function: Property management and City Development

Page 27 Objective	2018 Baseline (where known)	Key progress Q1	Key progress Q2	Key progress Q3	Key progress Q4	RAG rating	Trend
Review the investment property portfolio, and pursue additional investment opportunities, to increase revenue and capital receipts.	New objective	An extra £145,000 income was generated in Q1. Rationalisation of the Asset List documentation is continuing to improve the administration of the asset portfolio.	All leases have now been reviewed and income confirmed. Additional income this quarter is c£87,000.	PRED portfolio (excluding National Investment properties) now expected to generate an extra £250,000 this financial year, an increase of 4.2%.		GREEN	Stable

<p>Investment of circa £173 million capital in property assets to create financial return.</p>	<p>£146M committed. 12 properties purchased.</p> <p>Portsmouth Retail Park opened to the public.</p>	<p>A number of investment opportunities have been identified and pursued. The outcomes of this process will be fulfilled in a later quarter.</p>	<p>At this stage the investments pursued have not resulted in the purchase of property. We are continuing to appraise and pursue alternative opportunities.</p>	<p>£14M was spent in Q3 adding in excess of £700K rent to the portfolio. Investments continue to be assessed in line with the strategy and market conditions.</p>		<p>AMBER</p>	<p>Stable</p>
<p>Ensure that Planning Applications dealt with in national standard timeframes: major applications (target 60%).</p>	<p>82% at end of 2017-18.</p>	<p>100% were dealt with within the national standard timeframes in Q1.</p>	<p>100% were dealt with within the national standard timeframes in Q2.</p>	<p>The rolling figure for speed of decisions in Q3 was 86.8%.</p>		<p>GREEN</p>	<p>Stable</p>

<p>Ensure that Planning applications dealt with in national standard timeframes: other decisions (target 70%)</p>	<p>70% at end of 2017-18.</p>	<p>84% were dealt with within the national standard timeframes in Q1.</p>	<p>73% were dealt with within the national standard timeframes in Q2.</p>	<p>The rolling figure for speed of decisions in Q3 was 80.2%.</p>		<p>GREEN</p>	<p>Stable</p>
<p>Ensure the quality of Planning applications dealt with meets the national standard: decisions for major applications overturned - upper limit 10% over a 2 year rolling period.</p>	<p>0% at the end of 2017-18</p>	<p>The rolling figure for quality of decisions in Q1 was 1.8%</p>	<p>The rolling figure for quality of decisions in Q2 was 1.6%</p>	<p>The rolling figure for quality of decisions in Q3 was 1.7%</p>		<p>GREEN</p>	<p>Stable</p>

<p>Prepare the new Local Plan for the period until 2036 and bring it forwards in accordance with the agreed timetable.</p> <p>Page 277</p>	<p>Draft Local Plan to be submitted by December 2018.</p>	<p>Planning is underway for Consultation on the options identified for the Tipner Super Peninsula.</p> <p>New Government guidance has been published setting out additional responsibilities for local plans which is being incorporated in the new Local Plan.</p> <p>Technical work for the plan is underway.</p>	<p>Technical work is progressing on the Local Plan.</p> <p>The City Centre Master Plan Consultants have been appointed.</p> <p>Further Government announcements on planning and housing require further discussions with neighbouring authorities under Duty to Cooperate.</p>	<p>Still awaiting confirmation of the Government's position on housing targets. The first tranche of evidence studies have been received. Work under the duty to cooperate with PUSH neighbours underway. Consultation has been drafted on Local Plan evidence and Tipner Super Peninsular.</p>		<p>AMBER</p>	<p>Stable</p>
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Building Regulation applications to be either approved or assessed and customers contacted and response to notices of demolition within 15 working days.	100% within 15 working days. Outcome for 2017 was 87%	91% of applications were dealt with within 15 working days.	88% of applications were dealt with within 15 working days.	91% of applications were dealt with within 15 working days.		AMBER	Stable but slight decline due to new staff shortage over busiest quarter.
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Commentary

Continuing review of the property asset portfolio is likely to result in a 4.2% increase in income from non-operational property. Completion on an investment property has added a further £700k rent to portfolio.

We continue to exceed the national targets for speed of determining planning applications and for the avoidance of having planning decisions overturned.

The development of the Local Plan is progressing albeit whilst waiting for the government's position on housing targets.

Building Control have improved the speed of response to Building Regulations applications and are set to have an overall improvement on 2017/19 performance.

CULTURE AND CITY DEVELOPMENT

Key function: Libraries and Archives

Objective	2017 Baseline (where known)	Key progress Q1	Key progress Q2	Key progress Q3	Key progress Q4	RAG rating	Trend
Sustain Reading Total Loans/issues To be in line with national trends and achievement would be to sustain	495,495 total was 14% less than previous year.	115,974	244,625	336,248		Green	Stable
Information enquiries Shows the increasing complexity of issues/support for more vulnerable users	143,520 26% increase in previous year	Stats provided in Q4	data Q4	Data q4		AMBER	Stable
Digital: use of Peoples network To sustain 2017/18 figure as equipment needs capital investment and more robust tech support	83,330	20,947	42,931	19,951 Cumulative 62,882		GREEN	Stable

Cultural: Bookfest participants Target is to return to 2017 figures	945 (600 in 2018)	Stats provided in Q4	data Q4	Data Q4		AMBER	Stable
Children Promise: Summer Reading Challenge : 5% growth target for 2019 total is 3151	3,0001 in 2018 . 5% growth target for 2019 total is 3151	Stats provided in Q2	3,184	Target achieved		GREEN	Improving

Commentary:

Physical issues are available quarterly and virtual visits are available end of the year so separate totals will be shown, however the engagement is interrelated and analysis will be together at the year end .

The Summer reading challenge was a huge success and this year and has surpassed the 5% growth target set.

Bookfest programme confirmed and publicised and marketing plan initiated

Key function: Libraries and Archives

Objective	2018 Baseline (where known)	Key progress Q1	Key progress Q2	Key progress Q3	Key progress Q4	RAG rating	Trend
Continue to Increase virtual visits by 5% from 2015 to 2018 to 5% annually Page 282	Virtual Issues 62,004 Virtual enquiry 51,982 Total 113,986 Target is to increase by 5% as provision of a new more accessible website in 2018/19. Target :114,555	Target is to increase by 5% Target to be provided in Q4	Stats provide Q4	Stats provided Q4		AMBER	Stable

Retain 891k physical visits	Sustain target last year not achieved 891,449 which was 9% less than previous year and reflects a service which has not closed any poorly performing sites	Sustain the target Total to be provided in Q4	Sustain the Target 449,008	Cumulative 672,031		GREEN	Stable
Retain SLS traded service buy back SLS Reader development participants	Sustain 98% Buy back	Total will be provided in Q4	data Q4	Target achieved 98% buy back achieved		Green	Improving
Total volunteer numbers and hours - libraries and archives - target 5% increase	292 volunteers and 18,941 hours in 2017/18	Stats to be provided in Q4	data Q4			AMBER	Stable

Commentary:

The culture and city development directorate has an overall volunteer figure but a volunteer KPI has been added for Library as a separate figure. This is to reflect the level of volunteering in the service and the consequent management of these numbers

Good achievement of Q3 in the 98% target for the SLS traded service buy back of SLS Reader development participants.

Key function: Events and Sponsorship

Objective	2018 Baseline (where known)	Key progress Q1	Key progress Q2	Key progress Q3	Key progress Q4	RAG rating	Trend
Support Tourism and the visitor economy strategy Number of event applications processed	2017 : 173 Target : 180	Q1: 66	Q2: 72			GREEN	Stable
Support Tourism and the visitor economy strategy Number of events supported	2017 baseline: 482 2018 target : 500	Q1: 240	Q2: 181			GREEN	Stable

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<p>Support formal and informally learning and the twining objectives</p>	<p>2017 baseline :2 2018 target : to sustain</p>	<p>1 x French international supported for 1 month</p>	<p>1 x Chinese delegation supported 1 x Japanese delegation supported</p>	<p>Support for the Lord Mayor's visit to China and Japan Support for the Leader of the Council's visit to China Council minute to have a Memorandum of Understanding between Portsmouth and Zhanjiang Officer visit to France for meetings with Normandy Development Agency and CCI</p>		<p>GREEN</p>	<p>Improving</p>
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Complete and gain member agreement for events and sponsorship policy with action plan	None	Recruitment of new post : event and sponsorship manager	New post of event and sponsorship manager filled. Initial approaches made to sponsors for National event in June D-Day 75.	Events and sponsorship policy currently being researched		Red	Deteriorating
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Commentary :

Target for number of event application will be reached with additional 42 events. External events are proving more popular in 2018 than in 2017.

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- The numbers are equal to 4 hr sessions. 90hrs approx. the team have worked on all events, not included adhoc requests or filming applications and events.
- We have been successful in becoming the National City of focus for D-Day 75.

Museums and Visitor Services							
Objective	2018 Baseline (where known)	Key progress Q1	Key progress Q2	Key progress Q3	Key progress Q4	RAG rating	Trend
Continue to deliver the 5 year transformation of the D-Day Museum in– start work on site (now May 17; new museum open revised date Easter 2018)	Opening May 2018 Programming targets	Achieved Q1 Royal opening of D-Day Story May 2018 Please see below on programming works as part of the HLY bid				G	S
Page 30 of 87 Sustain visitor numbers 300,000 across all museums (262,720 in 2017)	Total is to improve on 300,000 across all sites by increase of D Day visits of 5% as all sites are open in 2018 to 2019	100,848K	112,741 (total for year 213,589)	40,293 (total for year 267,346)		GREEN	Improving
To achieve increased D-Day Story income targets as part of project match funding	Annual target is £396,440	Target Q1 £105,000 Q1 was £101,102	Target Q2 £111,500 £129,446	Target Q3 £92,100 £75,449	Target Q4 87,840	GREEN	Stable

Target of number of passes sold (which encourages repeats visits	Target is 1,200 passes annually	Target : 500 Q1 : 526	Target :250 Actual 365	Target :225 Actual 313	Target 225	GREEN	Improving
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Commentary:

Although D-Day Story income is lower in Q3 than the target, the running total for the year is over £7 above target, so is steady .This is a positive reflection on the visitor experience at the D-Day Story.

Overall visitor figures have been adjusted as late additions to the figures have were not included in the figures sites. Running total is now 267,346 and compares favourably against the 300,000 target

Key function: Parks and Open Spaces

Objective	2018 Baseline (where known)	Key progress Q1	Key progress Q2	Key progress Q3	Key progress Q4	RAG rating	Trend
Provision of new premises for council and contractor staff to accommodate vehicles, workshop and storage	Currently operating at several satellite sites and long term premises solution to be confirmed.	Adjacent lorry park lease amended to allow all buildings to be demolished. Property Team to be engaged to assist with demolition process.	No change			RED	Stable

<p>Develop options for community-based management model to involve local community's and opportunities for real localism.</p>	<p>Friends groups: - Rock Gardens - Baffin's Pond Association - Milton Park</p> <p>Volunteer groups: - Portsdown Hill - Hilsea Lines - Waterfront Garden Centre</p>	<p>Identified need to increase Friends numbers at Milton Park. Parks and Ward Cllr to action.</p> <p>Potential new groups to form at Kingston Park (with Fratton Big Local) and Bransbury Park.</p> <p>Volunteer groups: Portsdown Hill - 1,528 hrs Hilsea Lines - 1,190 hrs Waterfront Garden Centre - 8 regular volunteers (385 hours) and 10 supported volunteers (84 days attendance)</p>	<p>Milton Park friends are now active again and recruiting new members.</p> <p>Kingston Park now has an emerging friends group.</p> <p>Volunteer hours: Portsdown Hill - 1,596 hrs Hilsea Lines - 1,410 hrs</p>			<p>GREEN</p>	<p>Improving</p>
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<p>Provide an effective and efficient service providing VFM</p>	<p>Review in-house grounds maintenance operations following 18 months of operation</p> <p>Monitor contracted services and review arrangements when opportunity arises</p> <p>Develop existing waterfront garden centre to become cost neutral</p>	<p>Consultation commenced on proposal to change staff responsibilities, the way in which the service is delivered and from which location, roles required and lines of reporting.</p> <p>Arboricultural contract has been extended to Mar '19 while soft-market testing has commenced to determine whether to 'make or buy' future service provision.</p> <p>Meetings with Tivoli (formerly ISS) to discuss future contractual relationship. To be further reviewed in September.</p> <p>Increased number of supported volunteers and engagement with Adult Social Care for further referrals. Increase in plant sales for Q1, due to trading in peak spring sales period</p>	<p>Review complete. Grounds maintenance staff transferred to PCC T&Cs.</p> <p>Decision to seek tender contracted services and working on re-procurement to carry this out.</p> <p>No further progress.</p> <p>Volunteers remain static at present. Work continues to seek further adult social care referrals.</p>			<p>GREEN</p>	<p>Improving</p>
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<p>Provide high quality open spaces that are safe to visit</p>	<p>Work with cross-service group to commence handback of Paulsgrove Landfill site from Veolia</p> <p>Plant a replacement tree when an existing tree is removed for reasons of safety or decay</p> <p>Urban Meadows - increase wildflower areas across the city</p>	<p>Group establishing background information prior to engaging with Veolia, with handback protocol to target public access in Spring 2020.</p> <p>104 planted in 2017-18 planting season. Sites being identified prior to new planting season.</p> <p>52 beds sown with an area of 2,420m². City council now seeking additional areas through revised memorial donation scheme.</p>	<p>Project team currently developing matters around handback protocol.</p> <p>Trees have been ordered and planting programme will commence in November.</p> <p>Areas being finalised for sowing in 2019.</p>			<p>GREEN</p>	<p>Improving</p>
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Key function: Environmental Health and Trading standards

Objective	2017 Baseline (where known)	Key progress Q1	Key progress Q2	Key progress Q3	Key progress Q4	RAG rating	Trend
<p>Food Hygiene: Monitor the "standard" of food businesses in respect to their food hygiene rating score and risk class</p>	<p>Manage the planned inspection programme to achieve a 100% inspection rate for higher risk Category A, B and non-compliant C premises that are due an intervention during the year.</p>	<p>Preparation the Food safety Operating Plan 2018/19 to be agreed by members at cabinet in Q2 and priorities and KPI to be agreed</p>	<p>Plan published - total number of premises inspections carried out to date = 510</p> <p>A risk = 2 B risk = 36 C risk = 103 D&E risk = 369</p>	<p>Total number of premises inspections carried out to date = 686</p> <p>A risk = 5 B risk = 55 C risk = 465 D&E risk = 686</p>		GREEN	Improving
<p>Port Health: Monitor the implications of Brexit upon port health operations and report upon service implications</p>	<p>Update from Government not yet received</p>	<p>BAU until update received</p>	<p>In the event of 'day one of no deal' the government has accepted that the border will be 'less than optimal'. EDCL Scrutiny Panel briefed regarding risk assessment during 'Review of Portsmouth International Port'</p>	<p>Brexit implications remain unclear with Q3 - services continuing to explore resource needs however .Gov advice remains vague. Likely loss of Port Health Officers within Q4 adding to concerns. New Service structure might help</p>		RED	Improving

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Pest Control: Exceed target income of £160,000	£188k achieved 2017	Q1 actual £38,341	Estimated £83,130	Estimated £136,203		GREEN	Stable
Community Funerals: Monitor the demand for service, expenditure upon funerals and % of costs recovered		-35 community funeral -At & 15% cost recovery	21 Community Funerals - cost recovery rate beginning to raise concerns	37 community funerals - % recovery rate improving in current quarter and will be close to 80% recovery		GREEN	Improving

Air Quality: Report upon air pollution levels and provide a narrative in respect to compliance with governmental requirements / targets	Implementation of DEFRA's appraisal recommendations in respect to 2017 ASR in the shortest possible timeframe	Preparation of the Assessment of Air Quality - Annual Statement Report 2018 for member agreement at the Environment and Community Safety Portfolio Decision Meeting in Q2	Annual Status report published - DEFRA positive. Number of monitoring sites extended to >100. Predictions of annual mean objectives not possible at this time. Government pushing quicker resolution and more detailed action plan through new DEFRA Ministerial Direction. Capital bid of £100K submitted	DEFRA increasing pressure. 2 further Ministerial Directions provided. 1 to retrofit buses with cleaner abatement technology and the second to create a Local AQ Plan by 31 st October 2019. Additional funding requested secured £700K. Data collection continues to increase (>120 sites) and remains on course to deliver the Annual Status Report for 2018 which will be completed in Q4/Q1.		GREEN	Improving
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<p>Pollution Control: Report upon service demand and resolution times in respect to statutory nuisance</p>		<p>Service demand is just over 1,000 complaints received Q1. 700 closed as of today's date</p>	<p>Total enquiries received = 1514 Enquiries closed = 902</p>	<p>Enquires received 2056 Enquiries closed 1368</p>		<p>AMBER</p>	<p>Stable</p>
<p>Trading Standards: Monitor demand for services, report upon the number of investigations and disposals in key areas</p>		<p>28 investigations are in process 1,800 service request received through CAB</p>	<p>Notifications = 716 Referrals = 215 Total - 931</p>	<p>Total demand on service from CitACS= 1667 Total Notifications = 1283 Total Referrals = 384 Consumer detriment for Portsmouth residents as reported to Citizens Advice consumer service = £1,743,410.12 Investigations underway = 80 On-going cases likely to be disposed on by way of prosecution = 7</p>		<p>AMBER</p>	<p>Stable</p>

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Alcohol and tobacco harm:
Report upon interventions initiated to reduce harm

Reviews and prosecutions : April review of Premises Licence for Premier/Sevendays in Osborne Road - licence revoked. Media coverage. Appeal hearing in Magistrates Court Q2

1 illegal tobacco prosecution ongoing, tobacco tested for Nicotine, Carbon Monoxide and Ignition Propensity hearing in Magistrates Court Q2

Booked Search Dog Roadshows for Thurs 26th and Fri 27th July for

Volunteered for TSSE project to inspect storage facilities for illegal tobacco

Retail visits = **72**
Follow up visits = **21**
Test purchases = **25**
Magistrates Court attendances = **6**

Retail visits = 80
Follow up visits = 27
Test purchases = 26
Magistrates Court attendances =10
1 licensing review = successful revocation

AMBER

Improving

Commentary : Maintaining high quality food is essential. Not only because of the health benefits but because food shapes our street scene environment, underpins our economy, helps build resilient communities and is at the heart of our culture and society. Resources are considered to be critical when considering the minimum requirements currently prescribed by the government. Furthermore we predict that as we begin to implement the ROF programme the situation may deteriorate further. Public confidence in food is vital for Portsmouth and the Council must continue to ensure that the FSS is suitably resourced to ensure that all food in Portsmouth is safe for consumption. In respect to air quality the additional costs of increasing sampling required to deliver monitoring information in line with DEFRA's appraisal of the 2017 ASR and assessment of delivery of the recent DEFRA Ministerial Directions will likewise be need to be found from existing budgets. These costs will place additional pressures upon the funding allocated to Regulatory Services to carry out their statutory obligation.

Key function: Sports and Leisure Facilities Development

Objective	2017 Baseline (where known)	Key progress Q1	Key progress Q2	Key progress Q3	Key progress Q4	RAG rating	Trend
Increase use of Councils contracted sports facilities Page 298	Number of visitors Baseline:1,703,351 Target : 1,788,518		Ongoing	October - December 2017 431,244 October - December 2018 452,782 Cumulative , 1,346,561		GREEN	Improving

<p>Complete the PSPO's which replace the dog orders .Complete consultation and obtain member approval in Quarter 3.</p>	<p>Full consultation completed with police and crime commission , kennel club and the public</p>	<p>Draft document for cabinet decision</p>	<p>Document to go to cabinet briefing</p>	<p>PSPO Enacted on Monday 7th January 2019</p> <p>Significant amount of work on signage to be delivered by seafront service and Parks and Open spaces</p>		<p>Green</p>	<p>Stable</p>
<p>Complete the cemeteries strategy</p>	<p>Research and analysis plus consultation</p>	<p>Preparing draft , research and options for Member decision Q3</p>	<p>Draft now with Director for further work with external consultant</p>	<p>Still in draft as work to be completed</p>		<p>Red</p>	<p>Progressing</p>
<p>Installation of water safety and signage throughout the island to ensure a consistent approach to water safety - and extension safety signage across all public open spaces areas for which the council is responsible</p>	<p>Audit report completed with assurances and recommendations. A small annual sum identified corporately to address the water safety signage assessments and installation costs</p>	<p>£10k virements agreed and remained of funding required to be identified though service integration opportunities into a PCC service with city wide resource and transport The additional resource to carry out the monthly inspections and maintenance to be explored</p>	<p>Signage and PRE have been ordered and upon delivery installation will commence 3Q</p>	<p>PRE is completed and signage completed and installed 4thquarter.</p> <p>However no scheme in place for maintenance</p>		<p>AMBER</p>	<p>Progressing</p>

Develop options appraisal for the Eastney swimming pool site		Research and benchmarking and options appraisal being developed	This will feature as part of the contract review in Q3	As part of the contract review and will form part of the overall facilities strategy that is currently being prepared by external consultants		RED	Stable
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Key function: Licensing

Page	Objective	2017 Baseline (where known)	Key progress Q1	Key progress Q2	Key progress Q3	Key progress Q4	RAG rating	Trend
300	Manage the licensing service to in an effective way. To monitor service requesting within 10 working days	67% (261) Target is 73%	n/a	73% (204)	62% (48)		Amber	Deteriorating
	Reduce the length of time from vehicle renewals to issues of private hire and HC vehicle	89%(1460) Target 95%	NA	90% (1318)	71% (99)		Amber	Stable

Reduce the length of time of issue of vehicle licences for PH and HC within 2 working days	Target 95% (98% baseline 1040)	NA	99% (833)	98% (48)		GREEN	Stable
Grant of Personal licenses unopposed applications within 10 working days	Target 100% (baseline 100% 216)	NA	100% (128)			Green	Stable
Grant of variation of premises licences unopposed applications within 10 working days	Target 90% (Baseline 83%119)	NA	89% (81)	92% (22)		Green	Improving
To illustrate the workload in the service and track areas of demand to ensure there is enough capacity in the service and the right skills to meet demand	Total license issued per service : 4028 Total service requests received : 389	NA	Total license issued per service Actual : 3133 Total service requests received 389	Total licences issued in Q3: 507 Total Service Requests received in Q3 77		-	-

<p>Development and maintenance of PCC Business Continuity Management arrangements</p>	<p>The corporate BCP arrangements required review to accommodate the latest standards and organisational changes All BC plans have been reviewed: awaiting sign-off from plan owners (expected Q1 2018/19)</p>	<p>Business Continuity Plan consultation with all Plan Owners (Directors) was concluded and revised BC Plans were issued in June 2018.</p>	<p>The Corporate Business Continuity Policy and Plan were reviewed and re-issued in July 2018, and a new 'Cyber Resilience' Annex has been published.</p>	<p>Exercise Bumblebee was held 6th December 2018, testing the corporate BC Plan and Cyber Resilience annex using a cyber attack scenario</p>		<p>Green</p>	<p>Stable</p>
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<p>Ensure effective corporate preparation for and response to emergencies</p>	<p>Average: 29 incidents (144 response hours) per quarter in 2017-18</p> <p>PCC's Emergency Control Centre (ECC) arrangements reviewed in January 2018 and training provided</p>	<p>32 incidents (231 response hours) were dealt with by the EPRR Service in this period.</p> <p>The most significant responses in this quarter related to:</p> <p>Mutiny Festival (91.5 hours); Fire safety project Somerstown housing (48 hours); EOD Operation FADE at Catherine House (19.5 hours); SCC Corporate BC activation – telephony outage (15.25 hours)</p>	<p>51 incidents (107.25 response hours) were dealt with by the EPRR Service in this period.</p> <p>The most significant responses in this quarter related to:</p> <p>Residential fire at Corby Crescent, Portsmouth (15.25 hours); Op SEAL – unrest/protest, Southampton (13 hours); BC Plan activation at a care home, Southampton (7.5 hours)</p>	<p>31 incidents (88 response hours) were dealt with by the EPRR Service in this period.</p> <p>The most significant response in this quarter related to:</p> <p>No-deal Brexit preparations, requirements of which are rapidly escalating and will affect future service work programme targets.</p>		Amber	Stable
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Commentary

Preparations for a reasonable worst case scenario in a no-deal Brexit are increasing, and this is set to dominate service activity throughout Q4 2018/19 and beyond.

In addition to meeting its work programme targets, embedding the shared service and building upon its successes to date is a major current focus. This includes supporting officers to develop into their new roles and remit and supporting the new Joint Emergency Preparedness, Resilience and Response Board.

The response to incidents, as and when they occur, presents challenges that can affect service targets due to the impact on staff time available. Each incident is debriefed to identify 'lessons' and work is then undertaken to ensure these lessons are learned.

Changes to legislation and government direction can have consequences for the service and it is expected that significant work will result from the outcomes of the Kerslake Arena Review, Grenfell Tower Inquiry, National Resilience Standards and the anticipated 2018 revision of the Radiation (Emergency Preparedness and Public Information) Regulations and changes to the NHS Assurance process as the Department of Health and Social Care incorporates local authority social care provision into their assurance processes.

Commercialisation of the service: delivering on Service existing income generating commitments and pursuing new income generation opportunities are important priorities for the service. In 2018 the focus will be on delivering our health and borough council support commitments while looking to expand our offer in the education sector.

COMMUNITY AND COMMUNICATIONS

Key Priority: Maximising Income and Revenue

Objective	2017 Baseline (where known)	Key progress Q1	Key progress Q2	Key progress Q3	Key progress Q4	RAG rating	Trend
<p>Council Tax in-year collection rate</p> <p>Maintaining performance at 95% will firmly demonstrate that recovery performance has been sustained following the changes to council tax support in 2017/18</p>	95%.	Q1 2018/19 in year collection is 28.19%, and though broadly comparable to 2017/18 is 0.22% below that achieved in Q1 2017/18.	Q2 2018/19 in year collection is 54.06%, and though broadly comparable to 2017/18 is 0.73% below that achieved in Q1 2017/18.	Q3 2018/19 in year collection is 79.96%, and though broadly comparable to 2017/18 is 1.27% below that achieved in Q3 2017/18.		AMBER	Stable

<p>Business Rates in-year collection rate</p> <p>Maintaining in year collection at 99% will firmly demonstrate that recovery performance has been sustained following the implementation of the 2017/18 rating list (the first revaluation since 2010/11)</p>	<p>99%.</p>	<p>Q1 2018/19 in year collection is 35.01%, and is 2.52% improved on the 32.49% collection achieved at the close of Q1 2017/18.</p>	<p>Q2 2018/19 in year collection is 58.14%, and though broadly comparable to 2017/18 is 0.5% below that achieved in Q1 2017/18.</p>	<p>Q3 2018/19 in year collection is 82.32%, and though broadly comparable to 2017/18 is 0.88% below that achieved in Q3 2017/18.</p>		<p>AMBER</p>	<p>Stable</p>
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<p>Housing Benefit subsidy received in respect of rent rebates and rent allowances.</p> <p>This metric details the level of subsidy accrued in respect of housing benefit expenditure associated with local authority stock (rent rebates) and private sector stock (rent allowances)</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 308</p>	<p>£95,085,000. Forecasted subsidy and associated expenditure is anticipated to reduce in 2018/19 compared to 2017/18, most significantly as a result of full service roll out of universal credit.</p>	<p>The level of subsidy recovery at the end of q1 is £27,501,862, 0.37% above the level of subsidy recovery achieved in 2017/18.</p>	<p>The level of subsidy recovery at the end of q2 is £52,554,566, 0.23% below the level of subsidy recovery achieved in 2017/18.</p>	<p>The level of subsidy recovery at the end of Q3 is £75,990,011 0.02% above the level of subsidy recovery achieved in 2017/18.</p>		<p>GREEN</p>	<p>Stable</p>
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<p>Discretionary Housing Payment (DHP) expenditure.</p> <p>DHP is additional support available to Housing Benefit/Universal Credit recipients to assist with short term housing costs above that provided by Housing Benefit/Housing costs element of Universal Credit.</p> <p>Page 309</p>	<p>£650,000. This is the ring-fenced grant from the Department for Work and Pensions.</p>	<p>£158,773 has been paid in Q1 with a further £109,538 committed to be paid. Total Q1 awards are £268,311.</p>	<p>£324,828 has been paid at the end of Q2 with a further £98,861 committed to be paid this year. Total awards at the end of Q2 are £423,689.</p> <p>Expenditure forecasts, based on trend information, suggest there is unlikely to be any significant level of underspend against this ring-fenced grant.</p>	<p>£511,714 has been paid at the end of Q3 with a further £51,259 committed to be paid this year. Total awards at the end of Q3 are £562,973.</p> <p>Expenditure forecasts, based on trend information, suggest there is unlikely to be any significant level of underspend against this ring-fenced grant.</p>		<p>GREEN</p>	<p>Stable</p>
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<p>Level of council tax prior year arrears.</p> <p>This metric details the total value of council tax outstanding relating to all years up to and including 2017/18.</p>	TBC	<p>£10,992,563 outstanding at the end of Q1. This has reduced from £11,583,354 brought forward into 2018/19. £10,992,563 represents 0.88% of the collectable debit relating to this period up to and including 2017/18.</p>	<p>£9,690,390 outstanding at the end of Q2. This has reduced from £11,583,354 brought forward into 2018/19. £9,690,390 represents 0.77% of the collectable debit relating to this period up to and including 2017/18.</p>	<p>£8,922,298 outstanding at the end of Q3. This has reduced from £11,583,354 brought forward into 2018/19. £8,922,298 represents 0.71% of the collectable debit relating to this period up to and including 2017/18.</p>		GREEN	Stable
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<p>Level of business rates outstanding</p> <p>This metric details the total value of business rates outstanding relating to all years up to and including 2017/18.</p>	TBC	<p>£3,211,328 outstanding at the end of Q1. This brings the prior year arrears figure to a typical result, following unusual year end variances caused by the deletion of a large MOD property from the rating list. £3,211,328 represents 0.22% of the collectable debit relating to the period up to and including 2017/18.</p>	<p>£2,665,378 outstanding at the end of Q2. This brings the prior year arrears figure to a typical result, following unusual year end variances caused by the deletion of a large MOD property from the rating list. £2,665,378 represents 0.18% of the collectable debit relating to the period up to and including 2017/18.</p>	<p>£2,281,755 outstanding at the end of Q3. This brings the prior year arrears figure to a typical result, following unusual year end variances caused by the deletion of a large MOD property from the rating list. £2,281,755 represents 0.15% of the collectable debit relating to the period up to and including 2017/18.</p>		GREEN	Stable
<p>Level of outstanding housing benefit debt</p> <p>This metric relates to the total value of outstanding housing benefit debt.</p>	£9,200,000	<p>£8,984,715 outstanding at the end of Q1. This has reduced from £9,202,922 brought forward into 2018/19.</p>	<p>£9,142,661 outstanding at the end of Q2. This has reduced from £9,202,922 brought forward into 2018/19.</p>	<p>£9,023,700 outstanding at the end of Q3. This has reduced from £9,202,922 brought forward into 2018/19.</p>		GREEN	Improving

<p>Port Creative / Design</p> <p>The graphic design studio is 100% self-financing and has an income target of £145,600. Marketing and communications and digital customer experience is part-funded by income, generated through the Port Creative agency, which has an external income target of £53,600.</p> <p>Page 312</p>	<p>£199,200</p>	<p>Graphic design generated £35,087 of internal income in Q1.</p> <p>Port Creative generated £26,586 of external income in Q1.</p>	<p>Graphic design had generated £72,319 of internal income by the end of Q2</p> <p>Port Creative had generated £47,264 of external income by the end of Q2, with a further £26,107 of work in progress for Q3.</p>	<p>Graphic design had generated £107,782 of internal income by the end of Q3.</p> <p>PortCreative had generated £89,680 of external income by the end of Q3</p>		<p>GREEN</p>	<p>Improving</p>
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Commentary:

Commentary:

Council Tax / Business Rates Collection

Collection of council tax and business rates are broadly comparable to last year, and our assessment of performance so far, is that collection remains fairly stable. Whilst council tax collection is reduced on the equivalent period in 2017/18, there is a continuing trend of residents choosing to spread their instalments over 12 months, as opposed to the more traditional 10 month instalment plan. Similarly with collection of business rates, it is important to not make too many assumptions regarding the comparison to 2017/18 as the quarter end position can be significantly influenced by a ratepayer with a large rateable assessment paying at a different point in the year or if there were a significant change to a large rating assessment. We remain satisfied that despite the changes introduced last year to the local council tax support scheme, and the changes to business rates following the revaluation of the rating list, that collection continues to be relatively stable.

A review of central debt recovery (the enforcement stages of the recovery process) is also anticipated to further drive forward in year collection, whilst ensuring support through pragmatic payment arrangements, use of the council's hardship fund and provision of debt advice.

Housing Benefit Subsidy

Quarter 3 position is looking positive. The external audit of the 2017/18 claim for Housing Benefit subsidy was certified by Ernst & Young, with no significant issues identified through the audit process. The Audit report from Ernst & Young is understood to be included in the papers for the next GAS briefing. KPMG have been appointed as auditors for the certification of the 2018/19 Housing Benefit claim.

Port Creative / Design

The quarter three position is positive. Graphic design remains on target for internal income. Through their combined efforts, marketing, communications, market research, design, digital and the city helpdesk have exceeded their external income target for 2018/19, at the end of Q3, by 67%.

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Key Priority: Customer Service							
Objective	2018 Baseline (where known)	Key progress Q1	Key progress Q2	Key progress Q3	Key progress Q4	RAG rating	Trend

<p>Processing speed for New Claims of Housing Benefit</p> <p>This metric describes the process period from the point a resident makes a claim for Housing Benefit to the point where we are able to determine any entitlement to benefit, and where appropriate put the claim in payment. This measurement includes any time required for the resident to supply supporting documentation. This level of performance is important because it enables payments to be made within a typical rental cycle, providing the resident further choice in relation to their financial position, and potentially avoiding the creation of rent arrears, or other debts.</p>	<p>22 days which is in line with national average performance levels.</p>	<p>20.38 days, compared to 21.97 days at the close of Q1 2017/18.</p>	<p>18.91 days, compared to 24.60 days at the close of Q2 2017/18.</p>	<p>19.80 days, compared to 23.38 days at the close of Q3 2017/18</p>		<p>GREEN</p>	<p>Stable</p>
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<p>Processing speed for Changes in Circumstances of Housing Benefit claims</p> <p>This metric describes the process period from the point a resident notifies a change in their circumstances affecting Housing Benefit to the point where we are able to determine any entitlement to benefit, and where appropriate revise the benefit award.</p> <p>This measurement includes any time required for the resident to supply supporting documentation. This level of performance is important because it enables payments to be made within a typical rental cycle, providing the resident further choice in relation to their financial position, and potentially avoiding the creation of rent arrears, or other debts.</p>	<p>8 days which is in line with national average performance levels.</p>	<p>6.92 days, compared to 7.27 days at the close of Q1 2017/18.</p>	<p>7.93 days, compared to 8.64 days at the close of Q2 2017/18.</p>	<p>6.85 days, compared to 8.48 days at the close of Q3 2017/18</p>		<p>GREEN</p>	<p>Stable</p>
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<p>Processing speed for Council Tax billing transactions</p> <p>Handling customer enquiries quickly, in addition to supporting good customer service, enables the timely determination of liability, discounts and exemptions etc. to result in the issue of bills quickly, enabling the local tax payer greater opportunity to pay. Delays in issuing bills can restrict the number of payment instalments available to council tax payers.</p>	<p>5 days.</p>	<p>3.53 days compared to 4.64 days at the close of Q1 2017/18.</p>	<p>4.95 days compared to 4.50 days at the close of Q2 2017/18.</p>	<p>6.12 days compared to 5.73 days at the close of Q3 2017/18</p>		<p>GREEN</p>	<p>Stable</p>
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<p>Processing speed for Business Rates billing transactions</p> <p>Handling customer enquiries quickly, in addition to supporting good customer service, enables the timely determination of liability, relief and exemptions etc. to result in the issue of bills quickly, enabling the local tax payer greater opportunity to pay.</p>	8 days.	5.5 days compared to 7.5 days at the close of Q1 2017/18.	5.3 days compared to 7.5 days at the close of Q2 2017/18.	5.03 days compared to 7.42 days at the close of Q3 2017/18		GREEN	Stable
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<p>Development of customer service strategy for C&C. including establishing baseline measures</p> <p>This priority area will look at the development of a customer service strategy, designed to improve our overall approach to customer service. To include research, development and implementation of a new customer service strategy, and establishing baseline measures and monitoring of outcomes in City Help Desk and Revenue & Benefits.</p>	TBC	<p>Progress in quarter one: city helpdesk participated in staff workshops, contributing to strategy development. Customer survey planned for delivery in Q2, user group planned for implementation in Q2. New community engagement events, to include customer service, planned for implementation in Q2.</p>	<p>Progress in Q2: customer survey delivered. This customer insight will inform baseline measures of value to our customers. Community engagement events have been implemented, and contributed to 3,000 responses to the budget consultation.</p>	<p>Progress in Q3: customer survey analysis completed, with further research still planned for Q4 to inform baseline measures of value. User group implementation delayed due to on-going staff vacancy in digital customer team, post now filled and work planned for Q4. Strategy and action will be in place by end Q4</p>		AMBER	Stable
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<p>Reduction in overall offline contacts (City Help Desk and Revenues & Benefits) compared with increase in online transactions.</p> <p>Increasing self-serve options improves customer service for those who prefer the ease and 24/7 convenience of online, and it reduces pressure on staffed customer service so we have more time for customers who most need our help.</p>	<p>Baseline: 177,206 calls handled across City Helpdesk and Revenues & Benefits in 2017/18.</p> <p>£10,545,518 was processed via web payments in 2017/18 and 33,072 transactions were handled via online forms 2017/18.</p>	<p>32742 calls handled across City Help Desk and Revenues & Benefits in Q1.</p> <p>17,671 transactions handled through web and app forms in Q1.</p> <p>£2,890,559.55 was processed via web payments in Q1.</p>	<p>32,022 calls handled across City Help Desk and Revenues & Benefits in Q2.</p> <p>19,944 transactions were handled through web and app forms in Q2.</p> <p>£2,774,020.35 was processed via web payments in Q2.</p>	<p>28,828 calls handled across City Help Desk and Revenues & Benefits in Q3.</p> <p>21,175 transactions were handled through web and app forms in Q3. £3,001,706.63 was processed via web payments in Q3</p>		<p>GREEN</p>	<p>Improving</p>
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<p>Increase in take-up of email communications via Gov Delivery</p> <p>Email communications are an important channel for ensuring our customers receive timely, relevant and targeted information, which helps to reduce avoidable customer contacts.</p>	<p>19,295 subscribers at end of 17/18, a total email reach (number of emails sent) of 225,228 and an average open rate of 39.43% across 17/18.</p>	<p>19,193 unique subscribers at end of Q1. 106,932 reach in Q1, and an average open rate of 37.6%.</p> <p>GDPR changes mean email data has been cleansed to ensure up-to-date subscription permissions. Like other organisations, this will have a significant impact on the number of subscriptions. The anticipated reduction is between 30% and 40%.</p> <p>Marketing activity is planned in Q2 and Q3 to further increase uptake.</p>	<p>14,129 unique subscribers at end of Q2. This reduction was as a result of GDPR changes and, at 26%, is less than anticipated. The reach in Q2 was down to 88,684, which links to the GDPR subscriber reduction, but the average open rate increased to 45.79% which indicates improved engagement. Marketing is already in place to increase subscriptions, and will increase in Q3.</p>	<p>15,438 unique subscribers at end of Q3. Reach in Q3 was 105,384, with an average open rate of 47.26%, indicating further engagement. Marketing to increase subscriptions on-going in Q4.</p>		<p>Green</p>	<p>Improving</p>
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<p>Achievement of statutory timelines in relation to FOI - Community & Communications</p> <p>Community & Communications has corporate responsibility for Information Governance and monitoring of responses to FOI requests. This measure relates purely to FOI requests where Community & Communications is responsible for responding to the request</p>	90%	100%	100%	97% (representing 1 case)		Green	Improving
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<p>Achievement of statutory timelines in relation to FOI - Corporate</p> <p>Community & Communications has corporate responsibility for Information Governance and monitoring of responses to FOI requests. This measure relates to the response rate corporately.</p>	90%	89%	74%	85%		AMBER	Stable
<p>Achievement of timelines in relation to corporate complaints policy - Community & Communications.</p> <p>Community & Communications has responsibility for corporate complaints.</p> <p>This metric details the proportion of complaints relating to C&C where the complaint was responded to within the policy timescales</p>	100%	92.31%	85.19%	94.74%		AMBER	Stable

<p>Achievement of timelines in relation to corporate complaints policy - Corporate.</p> <p>Community & Communications has responsibility for overseeing corporate complaints across the council (excluding ASC and CSC).</p> <p>This metric details the proportion of council wide corporate complaints (excluding ASC and CSC) responded to within the policy timescales corporately.</p>	100%	77.32%	78.05%	73.91%		AMBER	Stable
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Commentary:

Commentary:

Processing speed for New Claims of Housing Benefit and Changes In Circumstances

An important customer service deliverable is the assessment and payment of entitlement to housing benefit in a time frame that does not contribute to financial hardship. Processing speeds are improved on Q3 2017/18, however they are assessed at this stage as stable. The availability of further choices to access the service has been expanded this year to include on-line claim forms for Housing Benefit, and we have also introduced Risk Based Verification. Some increase in processing time was anticipated in Q3 as a result of the additional demands placed on our teams as a result of the Universal Credit full service roll out. There has been some, but no significant impact on performance, however it is noted that council tax support only claims are taking on average 34 days in Q3. From a Council Tax perspective this does not create the resident too many issues as recovery activity is pended whilst the claim for Council Tax Support is outstanding, however it is an indicator of Universal Credit impacts that are affecting residents.

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The effect of the operational changes, as part of the service review completed in Q2 2017/18, continue to support this focussed service delivery.

Council Tax / Business Rates Processing Speeds

Council Tax processing speed are slightly increased when compared to Q3 17-18. This change in performance is associated most significantly with timing differences in completing the review of student discounts and exemptions (a significant seasonal peak of work), and the delivery of front facing customer transactions that have were previously completed within the City Help Desk, but which has been consolidated into the Revenues & Benefits establishment. Despite the small reduction in processing speed, transactions continue to be concluded quickly enabling council tax bills to be issued swiftly.

FOI/Complaints

A new system will be procured in shortly which will enable process efficiencies across multiple areas, including supporting compliance with timelines by automating reminders. An improvement in this area is anticipated once the new system is in place.

Key Priority: Valuing Staff

Objective	2018 Baseline (where known)	Key progress Q1	Key progress Q2	Key progress Q3	Key progress Q4	RAG rating	Trend
<p>Managing Attendance</p> <p>Since incorporating Revenues & Benefits into the wider Community & Communications Directorate significant work has been completed with all staff to improve attendance, and assist staff to be able to attend.</p> <p>This focus on attendance and wellbeing has seen improvements in attendance across the wider directorate that have essentially created resilience of 2.75 FTE available to support residents across the directorate.</p>	<p>Baseline for directorate is to stay within corporate baseline.</p>	<p>The rolling 12 month result for the directorate at the close of Q1 is 6.01 days per person.</p>	<p>The rolling 12 month result for the directorate at the close of Q2 is 4.89 days per person.</p>	<p>The rolling 12 month result for the directorate at the close of Q3 is 4.88 days per person.</p>		<p>GREEN</p>	<p>Stable</p>

<p>Action plan following the annual Employee Opinion Survey</p> <p>Results from the EOS are analysed by the Directorate Management Team, with staff groups involved in the assessment and change outcomes associated with areas where improvement is possible.</p> <p style="text-align: center;">Page 327</p>	TBC	<p>The key action from the 2017/18 survey was in relation to staff development, following which a full Training Needs Assessment has been completed in conjunction with the wider management team, staff and HR.</p> <p>We are currently prioritising training needs in relation to this exercise to improve staff satisfaction, improve flexibility /fluidity of resource and to ensure that appropriate succession planning is present within the Directorate. This will be an ongoing exercise within the Directorate.</p>	<p>We continue to support development following our Training Needs Assessment. We are working with all team members, and in addition are providing ongoing support to the wider directorate management team in relation to leadership.</p> <p>Following the most recent EOS we are focussing on key themes identified that we will collaborate on with our staff in Q3 and beyond.</p>	<p>We are continuing to work with staff across the directorate to support training and development as highlighted by our Training Needs Assessment.</p> <p>Individual managers are working with their teams to collaborate on themes identified in the recent EOS.</p>		GREEN	Stable
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Commentary:

Managing Attendance

Efforts to support staff to attend continue to demonstrate success with improvements in attendance levels.

Action plan following the annual Employee Opinion Survey

Progress with our Training Needs Analysis is continuing, and new themes are being developed associated with wellbeing and leadership following the publication of the latest survey results.

HR, LEGAL AND PERFORMANCE

Key function: Human Resources

Objective	2018 Baseline (where known)	Key progress Q1	Key progress Q2	Key progress Q3	Key progress Q4	RAG rating	Trend
Reduce sickness absence	8.5 days average per employee per year	8.5	8.5	8.6		AMBER	Steady
Successfully manage organisational change	Achieved	Achieved	Achieved	Achieved		GREEN	Steady
No successful Employment Tribunal cases as a result of poor HR practice	Achieved	Achieved	Achieved	Achieved		GREEN	Steady
Maintain recruitment end-to-end times below 70 days	65 days	64 days	82 days	61 days		GREEN	Declining
Increase numbers of apprenticeships	133	133	178	227		GREEN	Improving

Commentary:

Business as usual performance in HR remains strong, with no major performance issues. Some pressures exist with job evaluations, with higher-than-average number of evaluations required. Sickness absence remains stable but wellbeing project now well underway. Recruitment service being reviewed to ensure it continues to meet business need, and new Learning & Development structure bedding in.

New leadership and management training offer developed

Pay settlement for 18/19 now implemented and 19/20 settlement agreed.

Living Wage (as recommended by the Living Wage Foundation) agreed by Employment Committee and successfully implemented.

Dying to Work Charter adopted.

Disability Confident Employer status now achieved

Apprenticeships continues to be an area of success (reported separately to Employment Committee)

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Key function: Legal Services							
Objective	2018 Baseline (where known)	Key progress Q1	Key progress Q2	Key progress Q3	Key progress Q4	RAG rating	Trend
Turn around childcare cases within 26 weeks	86%	TBC	83%			G	Steady
No major projects delayed due to failure to provide effective legal support	Achieved	Achieved	Achieved	Achieved		A	Steady

Complete land charges searches within 20 working days	100%	Achieved	Achieved	Achieved		G	Steady
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Commentary: Business as usual work on track. Continued strong performance on child protection cases compared to target and with other local authorities. Significant projects requiring legal support include Tipner, City Centre Road scheme, ongoing PFI negotiations, and a number of contract re-lets. Performance in this area is rated as Amber due to challenges in maintaining skills and capacity in Legal to meet ever-changing demands of these projects

Key function: Internal Audit

Objective	2018 Baseline (where known)	Key progress Q1	Key progress Q2	Key progress Q3	Key progress Q4	RAG rating	Trend
Complete 100% of annual audit plan	100%	23%	41%	72%		G	Steady
Number of exceptions identified	0 critical, 90 High Risk	0 critical, 14 high risk	0 critical, 20 high risk	0 critical, 41 high risk		G	Steady

Commentary: Business as usual audit work continuing well, alongside income-generating work for external clients. Larger than usual number of special investigations. More detailed Audit update report provided to GAS Committee under separate heading

Key function: Corporate Strategy and Community Safety

Objective	2018 Baseline (where known)	Key progress Q1	Key progress Q2	Key progress Q3	Key progress Q4	RAG rating	Trend
Maintain schedule of funding opportunities	Achieved	Achieved	NO LONGER REQUIRED BY THE ADMINISTRATION AND NEW POST RECRUITED IN ANOTHER DIRECTORATE. TARGETED SUPPORT STILL PROVIDED ON REQUEST			GREEN	Steady
Achieve statutory deadlines regarding annual governance statement and performance statement	Achieved	Achieved	ACHIEVED	Achieved		GREEN	Steady

Commentary: Majority of strategy work relates to projects (see below) and support to partnerships. Core activities all progressing well.

Key function: Directorate

Objective	2018 Baseline (where known)	Key progress Q1	Key progress Q2	Key progress Q3	Key progress Q4	RAG rating	Trend
Reduce dependency on cash limit finance by developing trading opportunities	52% of service cost met through income and recharges	Achieved	Achieved	Achieved		GREEN	Improving

Commentary : Ongoing work to win new clients, especially for audit, HR and Legal. Commercial strategy in place with key markets identified. Dependency on cash limit to be reduced further as a result of ongoing need to make budget savings.

Key function: Financial Services

Objective	2017 Baseline (where known)	Key progress Q1	Key progress Q2	Key progress Q3	Key progress Q4	RAG rating	Trend
Supporting the organisation in the delivery of the Medium Term Financial Strategy	Financial & Capital strategy refreshed annually	MTFS approved by full Council as part of annual Budget in February 2018	Capital strategy being prepared for Council meeting March 2019	Financial and capital strategy incorporated in reports to Council 12th February 2019		Green	Progressing
Page 334	Revenue Budget & Council tax setting	Budget setting process started- Savings targets issued to services	Proposed savings for 2019/20 scheduled for publication in November 2018 (published)	Savings of £4m in 2019/20 approved by Council December 11th 2018		Green	Progressing
	5 year capital programme	5 year capital programme approved by Council in February 2018	Existing capital programme refresh underway and new bids proposals being worked up	Revised capital programme & new bids proposals reporting to Council 12th February 2019		Green	Progressing

	Maintain Minimum level of General reserve balances	General Reserves stand at £21m (Minimum Level set at £8m for 2018/19). Forecast balance as at end 2018/19 - £16m	General Reserves stand at £21m (Minimum Level set at £8m for 2018/19). Forecast balance as at end 2018/19 - £17m	General Reserves forecast at £21m at end of 2018/19. (Minimum Level set at £8m for 2018/19).		Green	Stable
Page 335	Provision of timely accurate & relevant management information online	Data refresh within 24 hours 95% of time	Data refresh within 24 hours 100% of time	Data refresh within 24 hours 100% of time		Green	Improving
	Maximise income opportunities	<ul style="list-style-type: none"> Take up of AVC salary sacrifice scheme continues to grow Achieved return on investment of surplus cash balances .21% above Libor swap curve 	<ul style="list-style-type: none"> Take up of AVC salary sacrifice scheme continues to grow Achieved return on investment of surplus cash balances .15% above Libor swap curve 	<ul style="list-style-type: none"> Take up of AVC salary sacrifice scheme continues to grow Achieved return on investment of surplus cash balances .05% above Libor swap curve 		Green	Improving

Safeguarding of and transparency in the use of public funds	Treasury Management activity in line with policy	Activity compliant with policy	Activity compliant with policy	Activity compliant with policy		Green	Stable
Page 336	Quarterly Financial and Treasury Management reporting to members	<ul style="list-style-type: none"> Statutory accounts presented to GA & S committee on 27 July. Q 1 reporting to Cabinet scheduled for September 	<ul style="list-style-type: none"> Treasury management mid-year review report to GA&S due in November (achieved) 	<ul style="list-style-type: none"> Treasury Management report for Q3 approved by GAS on 1st February 2019 Q3 budget monitoring report scheduled for Council meeting 19th March 		Green	Progressing
	Statutory Financial Statements within Statutory timescale	Annual target date of 30 June has been achieved	n/a	n/a		Green	Achieved
	Unqualified Audit Opinion	PCC received unqualified Audit opinion for 2017/18 accounts on 31 July	n/a	n/a		Green	Achieved

Supporting service managers informed decision making to deliver value for money	Provision of management information tools & support to budget managers	Monthly online financial management information and drop in training sessions for budget managers	Rollout of additional management information dashboards to managers	Rollout of further management information dashboards to managers		Green	Progressing
	Maintaining system availability	EBS availability within performance standard of 98% during working hours met	Availability maintained	Availability maintained		Green	Stable
Page 337	Service delivery within agreed budgets including achieving agreed savings targets	Highest spending portfolios are overspending	Funding reductions coupled with increasing demand which is causing overspends is likely to increase the Council's savings requirements in the future if services unable to contain their costs.	Annual budget to review impact of demand on service delivery in highest spending portfolios		Amber	Stabilised

	Payment performance within 30days target @ 90%	83%	85%	86.6%		Amber	Improving
	Continuity for key financial activities	Business Continuity Plan updated	n/a	n/a		Green	Achieved
	Bank reconciliations completed within 20 days	April, May & June complete	July & August complete	October complete		Amber	Stable
Page 338	Publication of Transparency Information	Available on Council's website by due date	Available on Council's website by due date	Available on Council's website by due date		Green	Achieved
Maintain & develop a professional, informed and reliable workforce	Training & development Plan	<ul style="list-style-type: none"> • Currently 8 Apprentices & 3 professional accountancy trainees • Timetabled in house training updates 	<ul style="list-style-type: none"> • Currently 9 Apprentices & 3 professional accountancy trainees • Timetabled in house training updates 	<ul style="list-style-type: none"> • Currently 9 Apprentices & 2 professional accountancy trainees in post (1 trainee now qualified with Cipfa Timetabled in house training updates 		Green	Improving

Key function: Information Technology

Objective	2018 Baseline (where known)	Key progress Q1	Key progress Q2	Key progress Q3	Key progress Q4	RAG rating	Trend
Availability (24/7)						Green	Stable
1. Availability of the LAN	100%	100%	100%	100%		Green	Stable
2. Availability of the WAN	99.40%	99.60%	99.63%	99.99		Green	Stable
3. Availability of the WAN Network	99.90%	99.81%	97.93%	100%		Green	Stable
4. Availability of Telephone System	100%	100%	99.86%	100%		Green	Stable
5. Availability of The Peoples Network	99.60%	99.63%	99.73%	99.97%		Green	Stable
Service Desk							
1. Phone calls answered < 30 secs	95.20%	90.39%	86.55%	78% * metric changes		Green	Deteriorating
2. Phone call abandonments	2.50%	3.32%	4.17%	5.5% *linked to above		Green	Deteriorating

3. Incidents resolved at first point of contact	91.40%	93.71%	74.78%	70.82%		Green	Deteriorating
Incidents - an incident is an unplanned disruption that needs to be resolved immediately, either through a permanent fix, workaround or temporary fix							
1. Raised	503	533	672	2337			
Currently Open	227	247	208	66		Green	Improving
Requests - a service request is a request from a user requesting advice, information, a change, or access to a service							
1. Requests Currently Open	336	390	902	246		Green	Improving
2. Standard Request closed < 10 Days	77.30%	76.69%	69.69%	65%		Green	Stable

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Problems - an incident can raise a problem; if an incident can reoccur and affect availability or the fix is temporary and will fail, this becomes an problem							
1. Problems Raised (% incidents becoming problems)	2.50%	1.20%	0	5%		Green	
2. Problems Open	101	82	55	62		Green	
Security - % blocked							
SPAM	99.90%	99.03%	93.38%	98.32%		Green	Stable
Malware	99.6%	99%	99.29%	89.13%		Green	Deteriorating

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Key function: Procurement

Objective	2017 Baseline (where known)	Key progress Q1	Key progress Q2	Key progress Q3	Key progress Q4	RAG rating	Trend
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The increase in the number of incidents raised is down to more accurate capture of demand.

There has been a slight increase in incidents linked to social care system performance and a tactical solution has been put in place that is being evaluated. Both ASC and CSC will migrate to new systems during 2019 with ASC due to go live in March.

Work continues on the vfire system and implementation of the User Hub. The User Hub is currently in system testing and will pilot in March prior to a phased rollout in April.

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<u>Gateway Board</u>	68 (17 per Q avg.)					Green	Stable
# of Gateways	15 (4 per Q avg.)	19	19	16		Green	
# of 1 & 2 (Strategy)	19 (5 per Q avg.)	6	5	3		Green	
# 3 (Out to tender)	19 (5 per Q avg.)	4	8	6		Green	
# 4 (Proposed award)	20 (5 per Q avg.)	1	2	4		Green	
# Extensions	6 (1-2 per Q avg.)	7	2	1		Green	
# Waivers	6 (1-2 per Q avg.)	1	2	2		N/A	
# Price increase approvals.	8 (2 per Q avg.)	Nil	Nil	Nil			
	nil						

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<u>Strategic Contract Management Board</u>						Green	N/A
#Contract Alerts issued	12 (3 per Q)	3 (Allied Healthcare Ltd, Capita plc, Herbert H Drew Ltd)	4 (Rolserv Ltd, Daisy IT Managed Services Ltd, PT Contractors Ltd, Lakehouse Contracts Ltd)	5 (Lakehouse contracts ltd, Armadillo Managed Services Ltd, Interserve PLC, Servacare Ltd, Cristie Date Ltd)			
# of post implementation reviews	2 (0-1 per Q)	3	0	1			
# of disputes	3 (underway)			2			
# of contract reviews	1 (started)	2	2	1 (LD PFI Day Services)			
# of negotiation support	1 (concluded)	3 0	1 (underway) 0	2 (Temporary accommodation, coroner services)			
		Currently reviewing: •LD PFI Day Services •Comserv and Mountjoy housings repairs and maintenance contracts	Currently reviewing: •LD PFI Day Services				

<u>Strategic contracts</u> <ul style="list-style-type: none"> - Gold - Green - Amber - Red - Should be scored but haven't been 	16 (24%) 26 (39%) 4 (6%) 0 (0%) 13 (19%)	13 (17%) 41 (55%) 2 (3%) (Highways PFI, Energy gas) 0 (0%) 10 (13%)	15 (16%) 46 (49%) 2 (2%)(Arboricultural works,MSTAR) 0 (0%) 15 (16%)	14 (9%) 37 (24%) 5 (3%) 0 32 (21%) 55 (36%)		Green Green Green Green Amber	n/a
<u>Compliance</u> <ul style="list-style-type: none"> - % compliance for quarter - Number of new waivers - Spend under waiver (new & old). 	89% 181 (45 per Q) £2.86M	93% 58 £4.41M	97% 51 £3.80M	Data not yet available		n/a	n/a
# of Tendering challenges	0	0	0	0		Green	Stable

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Commentary: Around 45 new strategic contracts have been entered on the contracts register to reflect the aggregated spot purchasing with these suppliers of adult social care services. The effect has been to reduce the percentages of strategic contracts with Gold or Green KPIs as KPIs have not yet fallen due for these new contracts. The commissioners believe that KPIs are likely to be scores Green or Gold in most cases and so by the next quarter result should return to normal levels. Consequently the RAG rating has not been adjusted for these data.

Training & Development :

IT: 2 Apprentice posts are now filled in the service desk and further work is underway looking at other structural changes to enable development pathways.

Procurement: The Procurement team has a long established Trainee Programme with four trainees progressing at the moment.

Project	Target Date	Key progress and issues arising	On track - time (RAG rating)	On track - budget (RAG rating)	On track (RAG rating)	Key project risks
CHILDREN'S SERVICES						
Embedding restorative practice across the city, including in schools	Ongoing	38 schools 'on the journey'. Good progress in embedding across the system. Action Learning Sets being set up in social care, health and early help. Agreement to target high excluding schools. Additional resource secured from NHS (£60k). City conference on 2 nd April 2019	GREEN	GREEN	N/A	None
Develop strengthened partnership arrangements for safeguarding children and young people in the city, building on the strong foundations of the Portsmouth Safeguarding Children Board (PSCB) arrangements	June 2019	Widespread agreement on the key questions we have to answer for the DfE on Working Together 2018. Update of Constitution ready in two weeks. Only issue pending is charring arrangements. Wide support for a 4LSCB Executive to as part of arrangements.	GREEN	GREEN	N/A	Some concern at local Business Unit capacity should the 4LSCB arrangements prove to take resource locally
Full implementation of the ECHO service	April 2018	Echo now fully embedded and operational city wide. Work is ongoing to evaluate effectiveness	GREEN	GREEN	N/A	Quality Impact assessment closed by Solent

Appendix 3 - Projects

Stronger Futures 2 - Excellent Early Help	2019 - 2021	Good overall progress. Change Team 3 in development. SEMH strategy completed	GREEN	tbc	Tbc	None
Stronger Futures 2 - Excellent Family Practice	2019 - 2021	New Board set up. Clear work plans outlined and detailed delivery plans in development	GREEN	Tbc	Tbc	Capacity and recruitment of adults workers.
Stronger Futures 2 - Excellent Care	2019 - 2021	New Board set up. Clear work plans outlined and detailed delivery plans in development	GREEN	Tbc	tbc	Some investment may be needed to remodel care provision
Troubled Families Recovery Plan	March 2020	Revised approach now beginning to bear fruit with claims up from 34 to 509. Good multi-agency engagement embedding Early Help Assessments and progress reviews. Still much more to do having started from such a low base.	AMBER	AMBER	RED	Current calculation is that we may be 700 families short of attachments required to achieve 1520 claims.

<p>Deliver strategy to boost recruitment and retention of teachers in the city</p>	<p>Dec 2018</p>	<p>PEP Teacher Recruitment and Retention Group agreed Action Plan for 2018/19, but it was recognised this was not going to be sufficient to make a significant impact. Priority will be given to a more comprehensive strategy and set of actions - completed end of Q3. Successful Teach Portsmouth Week held in Q3 1st - 5th Oct 2018. Teacher Recruitment Fair to be held in Q4 on 19th January 2019. New brand and website in development - to be tested in Q4.</p>	<p>RED</p>	<p>RED</p>	<p>RED</p>	<p>Teacher vacancies continue to increase in key subject areas. Retention of teachers deteriorates. Numbers going into Initial Teacher Training reduces. All at a time when we need more teachers due to rising pupil numbers. All of which will impact on pupil outcomes.</p>
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<p>Refresh the strategy to improve school attendance including a high-profile public campaign from Summer 2018</p>	<p>Dec 2018</p>	<p>The School attendance strategy is being refreshed in Q4 and a behaviour change campaign is underway, including a targeted publicity campaign which was launched in Q3 (October 2018).</p>	<p>GREEN</p>	<p>GREEN</p>	<p>GREEN</p>	<p>Secondary school overall and persistent absence continues to rise. The publicity campaign is being evaluated to test impact on attendance rates - too early at this stage to provide any meaningful data</p>
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<p>Continue to encourage all schools to join a strong multi-academy trust</p>		<p>60% of schools are now part of a Multi Academy (65% of pupils attend an academy). This is likely to increase to 65% by the end Q4, but little movement beyond that date is expected. Some rationalisation of MATs is being pursued commencing with the re-brokering of Stamshaw Junior School (to move from Portswood Primary Academy Trust to University of Chichester Academy Trust at the same time as Stamshaw Infant School converts to become part of UniCAT).</p>	<p>AMBER</p>	<p>AMBER</p>	<p>AMBER</p>	<p>Vulnerability of small LA maintained schools in terms of future resilience and ability to manage finances, recruit and develop staff and improve outcomes for pupils.</p> <p>Limited capacity of the RSC to challenge and support academies and engage in re-brokering has been the case with Stamshaw Junior.</p> <p>Meeting of LA maintained schools planned for Q4.</p>
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<p>Implement recommendations of the 2017/18 strategic review of SEND, including securing a new free school for children with autism and challenging behaviour</p>		<p>All of the actions arising from the recommendations in the SEND Strategic Review have been incorporated into the 9 ambitions within the SEND 0-25 Joint Commissioning Plan. Accountability for delivery of these actions will be to the SEND 0-25 Joint Commissioning Group. At key parts in the development and roll-out of this plan, we will ensure the right decision-making body is engaged - e.g. Schools Forum, CCG Clinical Committee, LA Cabinet. All actions are on track.</p> <p>Provider interviews for the special free school for autism too place in Q3 on 8th and 9th November - Delta Education Trust has been confirmed as the provider.</p>	<p>GREEN</p>	<p>AMBER</p>	<p>GREEN</p>	<p>There is increasing pressure on the High Needs funding within the Dedicated Schools Grant which means that it will be difficult to fund any additional provision required to meet the growing need. The additional funding announced by Government on 16 Dec 2018 for 2018/19 and 2019/20 has removed the projected overspend and allowed some relaxation to the proposed measures for managing the HNB.</p>
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<p>Review and strengthen Alternative Provision arrangements in the city</p>		<p>Successful Portsmouth Education Partnership bid for DfE innovation funding over 2 years to improve the reintegration of pupils at Key Stage 3 from AP into mainstream or special school placements.</p>	<p>GREEN</p>	<p>GREEN</p>	<p>GREEN</p>	<p>Pressure on school budgets are leading to increasing difficulties in meeting the needs of students who require additional support to what is ordinarily available.</p>
<p>Refresh the transformation plan for children and young people's mental health and emotional wellbeing</p>		<p>New Social Emotional and Mental Health strategy and delivery plan completed. Strong multi-agency engagements and clear work plan up to March 2020. Challenges around support and services for primary age children.</p>	<p>GREEN</p>	<p>GREEN</p>	<p>GREEN</p>	

<p>Continuing to improve the quality of education at LA maintained schools prioritised for support and working with the RSC to ensure improvement at academies where necessary</p>		<p>Contract in place with the Portsmouth Teaching School Alliance for 2018/19 to challenge and support LA maintained schools. Prioritisation letters together with PEP Dashboard information sent to LA maintained schools in Q3 (October). 10 schools prioritised for support in 2018/19.</p>	<p>AMBER</p>	<p>AMBER</p>	<p>AMBER</p>	<p>Limited funding available to support school improvement and limited levers that can be used to insist that LA maintained schools respond positively to the support that is being provided.</p>
<p>Delivering expansion of secondary schools (The Portsmouth Academy, Trafalgar School, Charter Academy, St Edmund's Catholic School and Admiral Lord Nelson School) to meet need for additional places</p>		<p>There are four expansion schemes in place, which are all progressing in line with the project programme and to budget. All four schemes will deliver additional places by September 2020. An additional scheme at St Edmund's Catholic School is being considered by Members as part of the latest round of capital bids. This has now been approved subject to going to Full Council in Q4 (Feb 2019).</p>	<p>GREEN</p>	<p>GREEN</p>	<p>GREEN</p>	<p>There are consequential works at ALNS in relation to moving the nursery within the site, which are being explored and may add minor additional costs to that project.</p>

Project	Target Date	Key progress and issues arising	On track - time (RAG rating)	On track - budget (RAG rating)	On track (RAG rating)	Key project risks
<p>Health & Social Care Blueprint (Integrated Working Localities Intervention)</p>	<p>End 2019</p>	<p>In November 18, senior leaders from PCC, Solent and PCCG agreed to proceed to the roll in phase. This will involve scaling-up the redesigned model to replace the existing system of work for the teams in scope. We will then need to ensure that the changes are sustained and that the new way of working becomes 'normal' across the system.</p>	<p>AMBER</p>	<p>AMBER</p>	<p>AMBER</p>	<ul style="list-style-type: none"> • If the current staff team are not retained to support roll in then this will reduce the chances of delivering the project benefits • If discussions regarding Structural/organisational forms are not dealt with appropriately then the project may not be delivered successfully. • If the current pressure from the wider health and care system to move at a faster pace continues then

Project	Target Date	Key progress and issues arising	On track - time (RAG rating)	On track - budget (RAG rating)	On track (RAG rating)	Key project risks
						<p>there is a risk of disengagement from partners.</p> <p>Risks are being managed through the Multi-Speciality Community Provider (MCP) and the Integrated Localities Programme Board.</p>
Transition between Swift / AIS and System 1	Revised to end March 2019	Project due to go live 18 March 2019. Currently on target. Data migration commences 4 February. Technical configuration being completed.	AMBER	AMBER	AMBER	Work with finance colleagues has identified a number of options to address overspend. Now rated as amber re

Project	Target Date	Key progress and issues arising	On track - time (RAG rating)	On track - budget (RAG rating)	On track (RAG rating)	Key project risks
						time as project on target for go-live on the 18 March, which is only likely to be compromised by unpredictable events/issues.
Achieving Financial Balance	March 2019	The financial outturn for 2018/19 was projected to be circa £3m in excess of the current Portfolio cash limit at the end of Quarter 2, as formally reported to the Council. Adult Social Care has developed a long term strategic plan and care model for the service, which enable the service to become financially sustainable in the future within its available resources.	RED	RED	RED	ASC continues to operate in a challenging budget environment, with considerable market instability and the increasingly complex needs of people who have care and support needs.

Project	Target Date	Key progress and issues arising	On track - time (RAG rating)	On track - budget (RAG rating)	On track (RAG rating)	Key project risks
						<p>Savings Plans have been submitted by service areas.</p> <p>Current overspend is as a result of the ongoing cost pressures within Daycare and Supported Living following their restructuring in 2016/17. This also reflects the ongoing pressure of differential prices for care as a result of the closure of some residential homes</p>

Project	Target Date	Key progress and issues arising	On track - time (RAG rating)	On track - budget (RAG rating)	On track (RAG rating)	Key project risks
						<p>in the city.</p> <p>The over spend is also driven by the current pressures arising from meeting the regulatory standards within PCC's residential units.</p>
Accommodation strategy	April 2021	<p>Promotion of independence through transformation of Learning Disabilities (LD) housing/support.</p> <p>Plans are in place to provide new build accommodation for approx. 35 people over the next 5 years providing local cost effective alternatives.</p> <p>Savings target £150,000 which has</p>	GREEN	GREEN	GREEN	<p>Service is becoming aware of a small, but significant, number of children due to transition within 3 years who have very complex (and costly) care packages.</p>

Project	Target Date	Key progress and issues arising	On track - time (RAG rating)	On track - budget (RAG rating)	On track (RAG rating)	Key project risks
		been achieved				<p>A key risk is the over spend in the LD service area as reported at Quarter 2.</p> <p>Another key risk is the increasing number of people with profound and multiple disabilities who will require accommodation and support</p>
New Models of Care (NMoC)	In operation	Expansion of Community Independence Service (CIS) re-ablement provision, which aims to keep people independent for longer thus reducing long term care (domiciliary and residential /	AMBER	GREEN	AMBER	If service is not able to help reduce avoidable hospital admissions then demand for ASC services will

Project	Target Date	Key progress and issues arising	On track - time (RAG rating)	On track - budget (RAG rating)	On track (RAG rating)	Key project risks
		nursing). Focus on recruiting Reablement Assistants in Quarter 3.				increase. Service needs community focus and work to reduce long term pressures that result from demand from the acute hospital.

Project	Target Date	Key progress and issues arising	On track - time (RAG rating)	On track - budget (RAG rating)	On track - outcomes (RAG rating)	Key project risks
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<p>Horatia House & Leamington House - strengthening, recladding, install of sprinklers (total package of works)</p> <p>(Tower Blocks, LA Owned)</p>	<p>December 2018</p>	<p>Initial feasibility work highlighted an issue with concrete strength in both blocks leading to a decision to rehouse both blocks (see below).</p> <p>Feasibility to strengthen commissioned study is being undertaken to evaluate options for strengthening, recladding and installing sprinklers to both blocks</p>	<p>GREEN</p>	<p>RED</p>	<p>N/A</p>	<p>Central Government (MHCLG) have confirmed that grant will be available for recladding works only. A funding application has been submitted and we have been informed that we will recover the cost to declad. We are awaiting formal confirmation.</p>
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<p>Horatia House & Leamington House Decant (Tower Blocks, LA Owned)</p>	<p>Spring 2019</p>	<p>89% (215/241) of families have accepted an offer of a new tenancy</p>	<p>GREEN</p>	<p>AMBER</p>	<p>N/A</p>	<p>Funding for the home loss payments and rehousing costs (these are reflected in the HRA budgets for 2019/20)</p>
<p>New Electrical MTC (Measured Term Contract)</p>	<p>1 April 2019</p>	<p>Existing contract to be extended to 31st March 2020 in accordance with the contract conditions. Retender exercise to commence 1 April 2019</p>	<p>GREEN</p>	<p>N/A</p>	<p>GREEN</p>	<p>Risk non-compliant contract is not retendered on time or impact on service provided (electrical work corporate assets)</p>

Appendix 3 - Projects

<p>Replacement Social Housing Schemes (Capital):</p> <p>Site - Kingsclere Avenue</p> <p>Name of Development - <u>Fred Francis Close</u></p> <p>No. of Properties - 38 (30 x Houses, 8 x flats)</p>	<p>March 2019</p>	<p>Project started 8 months later than planned due to delays with HCC and the s278 process. Project now proceeding as per the contractors target programme.</p>	<p>GREEN</p>	<p></p>	<p>GREEN</p>	<p>March completion date confirmed</p>
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<p>Wilmcote House - Refurbishment</p>	<p>7 November 2016</p>	<p>External Cladding, window and roof - overrun contract period</p> <p>Contractor has been instructed to replace all property entrance doors as the manufacturer (Mastordor) has withdrawn its fire certification for the doors installed. Replacement doors (Gerda) have been surveyed and programmed to be replaced by Spring</p> <p>Liquidated and ascertained damages are being charged against the contractor as a result of the project overrun in accordance with the contract</p>	<p>RED</p>	<p>AMBER</p>	<p>GREEN</p>	<p>Practical completion cannot be issued until property entrance doors replaced and building control issue completion certificate.</p> <p>Costs not finalised as final document not agreed to date and is being negotiated.</p>
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<p>Sheltered Housing Care Provision - currently running a trial at Ian Gibson Court to provide care to residents in a new way</p>	<p>April 2019</p>	<p>Pilot project underway whereby PCC directly employs staff to provide ASC funded/arranged packages of care to residents of Ian Gibson Court.</p> <p>Evaluation complete - proceeding to decision to sustain the model at the scheme and consider a wider roll out to other schemes.</p>	<p>GREEN</p>	<p>GREEN</p>	<p>GREEN</p>	<p>Final costs outcome will depend upon the final model of provision.</p> <p>However these costs will likely be mitigated by consistent and better managed care provision.</p>
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<p>Revise the accreditation scheme for the private rented sector</p>	<p>March 2019</p>	<p>The Additional Licensing scheme ended on 27th August 2018. The criteria for Mandatory licensing changed on 1st October 2018 due to government legislation, to include all HMOs occupied by 5 or more tenants. As of 1st October 426 new mandatory licenses had been received due to the new licensing criteria, with a further 186 applications anticipated.</p> <p>Cabinet approved the reinvigoration of the HMO governance board in December 2018 to review the current licencing situation and to gather data regarding the impact of the new Mandatory Licencing criteria and any demand for further Additional Licencing schemes in the City. Meetings have been held with individual proposed members of the panel and the first board meeting is due to be held on 13th February 2019.</p>	<p>GREEN</p>	<p>GREEN</p>	<p>AMBER</p>	<p>The new Mandatory licensing criteria has increased the number of HMOs requiring this type of license, which will affect any decision concerning the possible implementation of a designation area for additional licencing under section 56 Housing Act 2004. A revised Governance Panel could be implemented to identify the need for any further licensing schemes in the City.</p>
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<p>Sustaining the High Street Wardens / Increasing the number of Community Wardens</p>	<p>April 2019</p>	<p>Portfolio reserves have been made available to recruit four new High Street Wardens who have the purpose of helping to keep the city safe, clean and tidy. Team in place from April 2018 evaluation shows positive impact. Administration keen to retain the HSW and expand the wider community warden team.</p> <p>Existing 4 High St Wardens confirmed as Community Wardens, 3 new starters began w/c 7 January 2019 and training programme has commenced. Additional vacancy recruitment underway and on schedule to be fully operational from April 2019</p>	<p>GREEN</p>	<p>GREEN</p>	<p>GREEN</p>	<p>The service is a non-statutory service and there remain challenges in finding long term funding for the service.</p> <p>Funding secured until end of March 2020. Further review in October 2019</p>
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<p>Trial of wheelie bins for rubbish</p>	<p>January 2019</p>	<p>Waste Management are rolling out the provision of wheelie bins for rubbish to suitable areas across the city. The aim is to tidy streets by containing rubbish, to constrain the amount of rubbish produced and increase the amount which is recycled.</p> <p>November 2018 - Main bin roll out completed. Some bin swaps and deliveries outstanding but should be complete by the end of January 2019. Further data is required to evaluate success is reducing refuse tonnage. This is reported in ECS GASC report.</p>	<p>GREEN</p>	<p>GREEN</p>	<p>GREEN</p>	<p>The main risks are:</p> <p>Roll out complete, some snagging to be completed by the end of January 2019. Evaluation becomes part of BAU monitoring waste tonnages.</p>
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<p>Waste and Safe, Clean & Tidy IT system development</p>	<p>Summer 2019</p>	<p>Following interventions into these areas, new IT systems are being developed for the collection and allocation of work. These will enable the customers and staff to log demand in an effective and efficient way. They will also interconnect with the PCC website and My Portsmouth App. Work is being undertaken with no additional resources.</p> <p>Some hold ups with testing - Consideration of Maestro system (used by PFI contractor) now being made.</p> <p>Development continuing</p>	<p>GREEN</p>	<p>GREEN</p>	<p>GREEN</p>	<p>The project relies upon the Channel Shift team, who could be redirected onto other work. The exact timetable for introduction depends upon workloads, and the success of testing.</p> <p>Some interruption to testing due to team focus in last Q of 2018 on changes to waste collection system.</p> <p>Development continues - delivery date now more likely to be Summer 2019</p>
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<p>Street homelessness and rough sleeping partnership strategy</p>	<p>October 2018</p>	<p>The work builds on the foundations established to address the issue of rough sleeping in the city. The Homeless & Rough Sleeping Strategy Programme Manager's post is funded until March 2019. The post is coordinating the development and delivery of a strategy which will lead to a recommissioning of services to move from a provision of shelter to one that links support & accommodation (Q.1 2019)</p> <p>Draft strategy was endorsed by Housing Cabinet in September 2018. The consultation for the strategy concluded on 31 December 2018.</p>	<p>GREEN</p>	<p>GREEN</p>	<p>GREEN</p>	<p>Portsmouth's work in addressing the issues of rough sleeping has attracted MHCLG funding for 2018/19. Additional funding will be available in 2019/20.</p>
<p>Voids and Allocation Intervention (Review of the housing services management of void properties)</p> <p>Key aim is to identify efficiencies and reduce the end to end time.</p>	<p>Early 2019</p>	<p>Scoping complete. Redesign phase is complete and roll in is starting in Buckland Housing Office in January 2019.</p>	<p>GREEN</p>	<p>GREEN</p>	<p>GREEN</p>	

<p>Hospital Discharge Project (Private Sector Housing and Adult Social Care)</p>	<p>March 2019</p>	<p>Purpose</p> <p>To assist in the timely discharge of patients back home to live independently, safely and securely.” HDT Project runs alongside our Telecare & Homesafety Team where we already provide Telecare, Homesafety, SIDS and Handyperson. The HDT Project is a bespoke service to patients with assisting them to continue to live independently at home by working alongside ASC, Hospital staff, patients and their families. The project started in February 2018 funded from the ASC transformation fund and is due to run until March 2019</p> <p>Mid-point evaluation showed positive outcomes with reduced hospital stays (average 2 days per patient) and ongoing engagement with telecare services. Full evaluation will determine the future scope for the service and funding sources.</p>	<p>GREEN</p>	<p>GREEN</p>	<p>GREEN</p>	
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Project	Target Date	Key progress and issues arising	On track - time (RAG rating)	On track - budget (RAG rating)	On track - out comes (RAG rating)	Key project risks
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<p>Deliver a new community in the Tipner masterplan area, including a minimum of 1,250 new homes and a marine and maritime hub.</p>	<p>Start on site 2020</p>	<p>This is being taken forward in collaboration with the forthcoming Local Plan. Public consultation is planned for spring 2019 with the aim of making a formal planning application for the site infrastructure, enabling works and development of phase one late 2019.</p>	<p>AMBER</p>	<p>GREEN</p>	<p>AMBER</p>	<p>The ecological aspects of the project may require mitigation and replacement of ecological habitat in the harbour area which could increase the time taken to complete this stage.</p> <p>The planning application is dependent on the Local Plan timetable so any slippage will impact on this project.</p>
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Appendix 3 - Projects

<p>Development of City Centre Road.</p> <p>Development of City Centre North</p>	<p>Start on site Q3 2019</p>	<p>Procurement for the Early Contactor Involvement and the Stage 2 Design and Build contractor has almost completed. We have made a bid for funding of the scheme.</p> <p>Early engagement with potential developers / land owners within the city centres has commenced for the development of City Centre North.</p>	<p>AMBER</p>	<p>AMBER</p>	<p>AMBER</p>	<p>Securing funding and planning permission.</p> <p>Ensuring ongoing stakeholder support for this key regeneration scheme.</p>
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<p>North Portsea Island Flood Defence scheme</p>	<p>2024</p>	<p>The southern section of Phase 3, Tipner is complete and re-opened to the public in November 2018. This has received positive feedback from the public. The northern section of the works will be completed by end of Q2 2019/20. Landscaping works will continue into Dec 2019.</p> <p>Following public consultation for Phase 4 in November 2018, construction works will go to tender in March 2019, ready to start on site at Kendall's Wharf in September 2019.</p> <p>Phase 4 of construction is programmed along the Eastern side of the island until December 2023. Efficiency savings are being achieved. Phase 5, Ports Creek construction works are programmed for April 2023 until end of 2024.</p>	<p>GREEN</p>	<p>AMBER</p>	<p>GREEN</p>	<p>Unforeseen ground conditions and contaminated land found at Phase 3 has increased project cost. The overall forecast expenditure on this project is currently £53.6m and an FCERM4 variation form will be submitted to the EA to unlock contingency for this forecast spend over the currently approved £44m allocation. Discussions with EA have indicated that this will be approved.</p>
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<p>Southsea Flood Defence scheme</p>	<p>2026</p>	<p>The Principle Design phase is nearing completion and the Planning application is due to be submitted in April 2019. The Full Business Case will be submitted as soon as an acceptable construction contract is developed. Public engagement continues as the scheme progress towards planning application. Funding to support the Scheme through Detailed Design are being sought from the Environment Agency.</p>	<p>GREEN</p>	<p>AMBER</p>	<p>GREEN</p>	<p>Scheme affordability under the environment Agency Partnership funding system continues to be a risk. Additional funding will be required to support the business case. Uncertainty around the construction price and contract may delay the start of construction.</p>
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Dunsbury Park	2018	Enabling works were completed in Q2 (July 2018).	GREEN	GREEN	GREEN	The Dunsbury Hill development represents a significant investment by PCC. The ability to attract business tenants and recover that investment is partly dependent on the performance of the UK economy.
	2018	Plot 3a is let to VW Breeze Group. Expected completion 26 November 2018.				
	2019	Plot 3b is a speculative unit. Expected completion is spring 2019.				
	2019-25	Planned letting and completion of other plots.				

<p>Eastern Corridor phase 2 and central corridor feasibility</p>	<p>Mar 2020</p>	<p>Eastern Corridor:</p> <p>Construction of the small works schemes is underway.</p> <p>Milton Common cycle path design/planning permission is underway and construction works are due to start in 2019/20.</p> <p>Phase 2 feasibility study regarding carriageway widening is underway.</p> <p>Central Corridor:</p> <p>Proposed works to start March 2019 for approximate 5 months. It involves the construction of raised tables at various sites along the A2047 and improvements to the cycle lane. Further improvements are planned for the next financial year 2019/20.</p>	<p>GREEN</p>	<p>AMBER</p>	<p>GREEN</p>	<p>Eastern Corridor:</p> <p>Milton Common Cycle Path falls within a site of importance for Nature Conservation (SINC) and is close to sites that are important for Brent Goose feeding. Planning permission or permitted development is required, that could affect the delivery time.</p>
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<p>Anglesea Road/ Park Road junction improvements</p>	<p>Apr 2018</p>	<p>Work on the SW corner of the junction will be undertaken in two stages due to MOD constraints accessing the site. Trees removed in January 2019, with the remainder of the works comprising the relocation of the fence and widening of the standing area planned for August 2019.</p>	<p>AMBER</p>	<p>AMBER</p>	<p>AMBER</p>	<p>There remains a risk to the budget. The unsuccessful capital bid the removal of the abutments has meant that alternative solutions will be considered.</p>
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<p>Street lighting upgrade</p>	<p>May 2019</p>	<p>Nine out of the ten rounds of tertiary street lights have now been installed, with the final round to be completed in February 2019.</p> <p>The project will then switch to installing on the principal and secondary networks, with project completion due in September 2019.</p> <p>Savings projected of around 40% of pre LED electricity consumption.</p> <p>Further savings will be enabled after Variable Lighting Policy is implemented.</p> <p>Additional 1,500 "Heritage" lights and many lights managed by other PCC directorates also have the capability to be converted. This is being investigated and associated Salix funding bid anticipated.</p>	<p>GREEN</p>	<p>GREEN</p>	<p>GREEN</p>	<p>Achieving agreement to the necessary changes to the PFI contract - This process is progressing and has not affected the progress of the project.</p>
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<p>Cathodic protection project at the Hard Interchange. Sub structure improvements</p>	<p>Autumn 2019</p>	<p>Cathodic repairs are required to mitigate the effects of The Hard structure's continued exposure to salt water. This will prolong its life and ensure that future maintenance costs are considerably reduced.</p> <p>Work will comprise investigation, procurement and construction.</p> <p>Shortlisting is completed for Invitation to Tender due to be issued February with the intention of awarding the contract April.</p>	<p>GREEN</p>	<p>GREEN</p>	<p>GREEN</p>	<p>The works are specialised in nature and various alternative systems are available each providing different levels of protection. If there is a late decision to upgrade to an enhanced protection system the cost will rise. This will be mitigated through a thorough initial investigation and appropriate design.</p>
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<p>MMD Commercial Port site improvements.</p>	<p>Dec 2019</p>	<p>Tender process is underway, with returns due back in early February.</p>	<p>GREEN</p>	<p>GREEN</p>	<p>GREEN</p>	<p>There is a budget risk if tendered prices for the main construction works come in higher than expected. Mitigation measures will include de-scoping and value engineering.</p>
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<p>International Port Berth 2 levelling</p>	<p>June 2020</p>	<p>Shortlisting contractors during January 2019. Grounds investigation is planned for February 2019</p>	<p>GREEN</p>	<p>GREEN</p>	<p>GREEN</p>	<p>Whilst as built drawings have been provided, there is a risk that some of the construction features may not be accurate. A grounds investigation will be undertaken to provide greater clarity on ground condition.</p>
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International Port Berths 3 and 4 replacement of Passenger Boarding Bridge	June 2021	Brittany Ferries has been consulted about the position of the passenger doors on their new "e-flexer" vessels that are due to be in service in the next couple of years to determine the size and complexity of the boarding bridge. We are awaiting a response.	GREEN	GREEN	GREEN	Preparing accurate budget estimates for the funding. Mitigation is to approach suppliers and request they provide a high level cost estimate.
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Project	Target Date	Key progress and issues arising	On track - time (RAG rating)	On track - budget (RAG rating)	On track - outcomes (RAG rating)	Key project risks
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Successful delivery of the landing Craft tank project working in partnership with the National Museum of the Royal Navy (NMRN) on the development phase of the Landing Craft Tank	April 2020	Review of implications for on any existing leases in existence in this vicinity	GREEN	GREEN	GREEN	Maintenance is a risk of this project if the HLF bid is successful and the finer detail of the operational will be discussed with our partners NMRN
Complete Beach huts - capital build lumps fort	March 2019	Capital bid of £50k is secured in capital round. Intend opportunity will be developed to publish this project on Intend in Q4 to be completed early April 2019	GREEN	AMBER	GREEN	On target to be completed early April 2019
Complete the cemeteries strategy	December 2018	Research and benchmarking completed	RED	GREEN	AMBER	

<p>Delivery of Health and Wellbeing project funded from the Public Health Transformation Fund, over four-year project with a value of £174,000 which will create health hubs in libraries across the city to support and improve the health and wellbeing of residents and to deliver the Libraries universal offer to support health and wellbeing</p>	<p>2021</p>	<p>£174,000 secured from the Public Health Transformation Fund April 2018.</p>	<p>GREEN</p>	<p>AMBER</p>	<p>GREEN</p>	
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Project	Target Date	Key progress and issues arising	On track - time (RAG rating)	On track - budget (RAG rating)	On track - outcomes (RAG rating)	Key project risks
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COMMUNITY AND COMMUNICATIONS						
<p>Delivery of the channel shift/digitalisation programme</p> <p>This is a corporate capital programme, which is in its second phase. The programme aims to deliver both financial benefit and improvements to customer service.</p> <p>Key objective for 2018/19 are:</p> <ul style="list-style-type: none"> • Deliver year one of programme plan • Achieve year one benefit realisation 	<p>On-going</p>	<ul style="list-style-type: none"> • Ground Floor Reception alterations delivered • Year One plan scoped and resourced • Revised website plans • Planning to move to BAU for year 2. 	<p>GREEN</p>	<p>GREEN</p>	<p>GREEN</p>	<ul style="list-style-type: none"> • Resources from services available to agree work and undertake UAT • Specialist resource availability • Changing priorities

<p>Implementation of Universal Credit (including the Local Support Framework)</p>	<p>On-going</p>	<ul style="list-style-type: none"> • Digital support had been planned to be run through libraries/VCS, however DWP has recently announced, that local authorities will not be funded to provide Universal Support from 1st April 2019, with responsibility for moving to the Citizens Advice Bureau. The DWP advise that this move will create consistency and a streamlining of service for Universal Credit claimants across the country. • Further working with VCS to support residents. • Support through Civic Offices to UC customers. • Full service roll out for Portsmouth is as follows: Portsmouth and Cosham Job Centre Plus on 26th September 2018 , Havant JCP on 28th November 2018 • Support at CAB funded for Paulsgrove residents. <p>We have been advised that full migration of relevant housing benefit caseloads has been put back to 2023.</p>	<p>GREEN</p>	<p>GREEN</p>	<p>GREEN</p>	<ul style="list-style-type: none"> • Department for Work and Pensions delaying the full service go live date and full migration.
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<p>Voluntary sector partnership development: Appendix 3 - Projects</p> <ul style="list-style-type: none"> • Deliver the HIVE building project - Dec 18 • Deliver HIVE Co-operative/ Alliance - including governance arrangements. - April 2019 • Produce HIVE (Asset Based Commissioning Strategy) Strategy for partnership work. - April 2019 • Deliver Project Bridge Toolkit. - September 2018 • Deliver access and information interactive map. - July 2019 • Provide Infrastructure support. - April 2019 • Publish City Priority Standards. - October 2018. • Develop SE market - Resource from September 2018 Review and deliver volunteer capacity to support PCC Services. 	<p>On-going</p>	<ul style="list-style-type: none"> • Hive Phase 1 opened Dec 18 • Project Bridge Toolkit delivered • City Priority Standards awaiting sign off by board • Social enterprise market resource employed Dec 18. 	<p>GREEN</p>	<p>GREEN</p>	<p>GREEN</p>	<ul style="list-style-type: none"> • VCSE don't buy in to the new ways of working: mitigate by senior leadership and key influencers in the sector. • Key players from the VCS leave: mitigate by working with the sector on succession planning and partnership working. • Funding sources for the VCS reducing: mitigate by investigating opportunities re bid writing and CLT. • Statutory partners not buying in to this new way of working: mitigate by senior leadership, • Leadership capacity mitigated by building resilience in
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<p>General Data Protection Regulations: Appendix 3 - Projects</p> <p>To ensure the Council complies with the GDPR and new Data Protection Act which came into force 25 May 2018. To avoid monetary penalties for non-compliance.</p> <p>To deliver all training and communications detailed in the GDPR project plan by 25 May 2018.</p> <ul style="list-style-type: none"> To review all Information Asset Register Spreadsheets by 25 May 2018 and provide each business area with an action plan To provide access for all Information Asset Owners and co-ordinators to the Electronic Information Asset Register by 30 June 2018 to enable them to keep details of their assets up to date. 	<p>On-going</p>	<p>Testing is complete on the electronic information asset register which will enable nominated officers (information asset owners and other nominated co-ordinators) to have access. Reporting functionality has been built and tested - a small number of issues were identified and are in the process of being resolved by IT.</p> <p>Work is still ongoing on the contracts. In view of the high number, a risk matrix was developed to facilitate prioritisation.</p> <p>A work programme has been identified to ensure all PCC systems are GDPR compliant and this is currently being costed.</p>	<p>AMBER</p>	<p>GREEN</p>	<p>GREEN</p>	<ul style="list-style-type: none"> Lack of resource to carry out the work Inability to get providers of systems to make changes that allow us to be compliant Cost of making system changes <p>Mitigating actions</p> <ul style="list-style-type: none"> Inform Michael Lawther in his capacity as GDPR project sponsor of resource issues and use allocated budget to engage necessary staff IT service to work with providers of systems to address non-compliant issues and keep records of correspondence as evidence of our attempts Expensive changes to systems to be agreed by Michael Lawther on a risk-based approach and a record of the decisions to
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Appendix 3 - Projects

<p>Equality Strategy: Following consultation in quarter 2, produce an equalities strategy and action plan for sign off in quarter 4 2018/19.</p>	<p>On-going</p>	<p>The Equality and Diversity strategy was approved at Resources committee on the 22 January 2019.</p>	<p>GREEN</p>	<p>GREEN</p>	<p>GREEN</p>	<ul style="list-style-type: none"> Limited staff capacity and resources from Equalities: mitigated by allocating time specifically to the project
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<p>Business Rates Retention:</p> <p>Develop a business rates strategy to meet the requirements of evolving Local Authority Finance systems.</p> <ul style="list-style-type: none"> Review of all business rates policies - December 18 Develop a timetable and process for the periodic review of all business rates reliefs - September 18 Delivery of a briefing to Cabinet on the importance of business rates, supported by IRRV if necessary - September 18 Engage with directors on impact of business rate, defining responsibilities in relation to the accuracy of the rating list - December 18 Develop a process to ensure an 	<p>On-going</p>	<p>A first review of our draft strategy has been completed by Finance, and shared with the Cabinet member for Resources, following which an invitation was made to all members to attend briefings on Business Rates.</p> <p>We have been approved as a 75% retention pilot authority for 2019/20 as part of the Solent Business Rates Pool with Southampton and the Isle of Wight.</p> <p>A review of existing council policies has been completed, with some changes planned once further information has been received following the Chancellors' Nov 18 Budget announcements.</p> <p>Following the development of inspection plans, we have commenced a routine 'grid reference' inspection of the city, with a specific focus on the review of ratepayers receiving small business rates relief or mandatory rate relief.</p> <p>Further cross directorate engagement is planned following the conclusion of the senior management review.</p>	<p>GREEN</p>	<p>GREEN</p>	<p>GREEN</p>	<ul style="list-style-type: none"> Buy in from the Administration and Directors could compromise the ability to create a cohesive approach across the authority: mitigated by continued engagement with Finance, and agreement/and support of strategy from S151 Officer and Portfolio Holder. Resourcing levels presents potential risk: mitigated by exploring relationship between resource input and revenue opportunity for future spend to save proposals. Lack of primary legislation is delaying full rates retention nationally and future changes to the way local authorities retain greater level of business rates are to be determined, as is greater flexibilities with regards economic
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<p>Revenues debt recovery strategy:</p> <p>To review the current recovery process and develop a strategy which results in best practice, maximising recovery and support to the most vulnerable customers. Strategy to be developed and work streams agreed by the end of December 18. Implementation plan to be developed by Q4 with implementation anticipated to be completed in 2019/20.</p>	<p>On-going</p>	<p>Operational Review has commenced and team is now in consultation.</p>	<p>GREEN</p>	<p>GREEN</p>	<p>GREEN</p>	<ul style="list-style-type: none"> • Increase in length of time taken to recover debt from most vulnerable customers.
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<ul style="list-style-type: none"> • Engagement and community development strategy: • review and relaunch citizens panel - target of 1,000 members • increase number of resident engagements per annum - establish baseline in 18/19 and measure from 19/20 • develop and implement the HIVE programme (see voluntary sector partnership above) 	<p>On-going</p>	<ul style="list-style-type: none"> • consultation process developed and sign-off agreed • engagement events planned and in place - initial focus on budget consultation with positive impact on participation (more than 50% increase) • baseline of resident engagement being established • preparation for citizens panel relaunch complete, relaunched now planned for Q4 as a result other priorities for market research officer in Q3 	<p>AMBER</p>	<p>GREEN</p>	<p>GREEN</p>	<ul style="list-style-type: none"> • Lack of buy-in from directorates: mitigate through on-going internal stakeholder engagement. • lack of engagement with consultation approaches: mitigate through effective marketing and ease of use
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Project	Target Date	Key progress and issues arising	On track - time (RAG rating)	On track - budget (RAG rating)	On track - outcomes (RAG rating)	Key project risks
Devolution/ combined authority	N/A	We have seen a letter sent to a local MP saying that this is not progressing. We are discussing a Housing Deal with Hampshire authorities.	N/A	N/A	N/A	Dependant on political and governmental decisions
Temporary Staffing re-tender	31/12/19	Timetable delayed for 12 months to allow for new government framework contract to be awarded. Soft market testing continuing	GREEN	GREEN	GREEN	Limited number of suppliers in market reducing options.
Business Intelligence	31/12/18	Initial implementation now complete. Future development and roll-out of BI now being scoped and progressed.	GREEN	GREEN	GREEN	Complex project involving Finance and IS as well as HR. Risks around technology, data conversion and management buy-in

Apprenticeship levy (potential cost c£700k per year)	31/3/19	Majority of framework contracts now let for array of training provision. Work ongoing with services to identify opportunities for apprenticeships. Overall number of apprentices continuing to increase. Schools apprenticeship officer now in post and working with schools to identify opportunities.	GREEN	GREEN	GREEN	Risk of not having sufficient training providers to meet demand. Also risk of having insufficient job roles suitable for apprenticeships
Strategic Partnership Review	31/3/19	Review of council's key strategic partnerships to ensure right structure, membership and scope. Draft proposals produced and consulted on with key partners. New arrangements now being implemented.	GREEN	GREEN	GREEN	Failure to gain agreement from key partners on proposals
Military Covenant	31/3/19	Successfully gained Gold award under Employer Recognition Scheme. Ongoing work to deliver other aspects of covenant and ensure that partnerships with military community are strengthened and delivering outcomes. Needs assessment now complete	GREEN	GREEN	GREEN	Maintaining profile of covenant amongst other service pressures and priorities
Workplace Wellbeing	31/3/19	Wellbeing Co-Ordinator working with service departments to understand priorities and develop interventions. Includes targeted resilience/stress awareness training, office environment audits and health campaigns. Wellbeing strategy now developed	GREEN	GREEN	GREEN	Difficulties measuring impact of interventions. Availability of funding to support wellbeing initiatives in longer term

Finance and IS Projects

Project	Target Date	Key progress and issues arising	On track - time (RAG rating)	On track - budget (RAG rating)	On track - outcomes (RAG rating)	Key project risks
Hampshire Community Bank	Ongoing	<p>Portsmouth have committed £5 million for shares in the Hampshire Community Bank (HCB) project. Payment is in four tranches of £1.25 million conditional on due diligence reports from banking experts BDO LLP. To date two tranches have been made and BDO have just been instructed to perform their due diligence report in respect of the third tranche. The latest HCB Business Plan shows the bank achieving "Authorisation with Restrictions" from the Bank of England to operate as a bank during the first quarter 2020, with full operations commencing first quarter 2021.</p>	RED	GREEN	GREEN	<p>Failure to obtain authorisation to operate - this is mitigated by commissioning the due diligence report from the banking experts.</p>

Network migrations	November 2018	All significant migrations are complete. One supplier has some residual work to complete. Network traffic across the hardware is now monitored to ensure all services are moved, this is in place for a couple of months.	AMBER	GREEN	GREEN	Unidentified traffic is seen and additional work is necessary
SystmOne/ContrOCC (replacement of Adult Social Care SWIFT AIS)	March 2019	Training and data migration started in late January and initial works have been successful. Technical integration with EBS now directly managed by IT Service.	AMBER	GREEN	GREEN	Resolution of the technical integration to EBS.
Mosaic (replacement of Child Social Care SWIFT CCM)	June 2019 [tbc]	Following OFSTED inspection and report the Service is reviewing the scope for the transformation of processes into the new system. Service reports on 15 th February, planning baseline, scope and budget review to follow this report.	RED	AMBER	GREEN	Proposed new scope is too extensive to deliver in a reasonable time scale.
vFire implementation (replace e-Works, obsolete IT service management software)	Phase 2: [tbc]	Phase 1 complete Phase 2: User Hub technical testing then User Acceptance Testing (UAT), phased release to Services being planned.	AMBER	GREEN	AMBER	Resolution of technical issues from testing
Windows 10	December 2019	Adult social care services roll out complete Children's social care/Children and education roll out has started Planning for Housing as the next Service Application review and preparation on going.	AMBER	AMBER	AMBER	Requested changes to user devices One user/one new device rule Addition of previous out of scope works

Appendix 3 - Projects

Local Full Fibre Network (Solent Network)	March 2021	<p>Invitation To Tender released 8th February 2019, evaluation & negotiation March/April, contract award end of May 2019.</p> <p>Line consolidation surveys to commence in February 2019</p>	GREEN	GREEN	GREEN	<p>Site surveys highlight -</p> <ul style="list-style-type: none"> • additional access works (dig costs) <p>additional way leave costs</p>
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Appendix 4 - Quarter 3 risk register

Risk owner	Risk Area	Where risk identified	Risk Likelihood	Risk impact	Current Risk Status	Potential outcomes	Mitigation/commentary	Type of Risk
CHILDREN'S SERVICES								
Alison Jeffery (Director of Children's Services)	Demand pressures leading to increased workloads for social care staff		High	High	High	Increased risk around quality of social work practice	Ongoing monitoring as part of quarterly reporting. This risk has begun to materialise, notwithstanding additional investment in SW posts. The position is being monitored closely against the background of keen competition regionally to recruit social workers.	Personal injury to child;
Alison Jeffery (Director of Children's Services)						Reduced attractiveness of PCC as an employer		financial loss to authority; failure to achieve objectives
Alison Jeffery (Director of Children's Services)	Increased incidence of domestic violence in the city.		Medium	Medium	Medium	May increase severity of harm (last 3 Serious Case reviews have featured domestic abuse, 70% protection plans feature domestic abuse and 50% children removed into LA care have experienced domestic abuse).	Linked to Stronger Futures Programme for developing effective early help services for the city. The inclusion of DA services within Children and Families should help to ensure DV expertise across a wider workforce.	Personal injury; reputational damage through poor inspection judgement leading to pressure on social workers.

Appendix 4 - Quarter 3 risk register

Risk owner	Risk Area	Where risk identified	Risk Likelihood	Risk impact	Current Risk Status	Potential outcomes	Mitigation/commentary	Type of Risk
Alison Jeffery (Director of Children's Services)	Refocusing staff time on more vulnerable families increases rather than decreases demand on statutory social care as more need is uncovered	In quarterly reporting	Medium	High	High	Increased demand and pressure on resources - this is now manifesting	Referrals into CSC have risen significantly	financial loss to authority; failure to achieve objectives
Alison Jeffery (Director of Children's Services)	Failure to make successful claims under Troubled Families Programme		Low	High	Medium	Reduced income available to the authority for investment in services	Struggling to capture progress adequately in order to make claims but are making progress.	financial loss to authority; failure to achieve objectives; reputational damage
Alison Jeffery (Director of Children's Services)	Implementation of new children's IT system		Low	Low	Low	System becomes unaffordable and ineffective as user base reduces (ASC withdrawal) - local and national risk	Decisions have been taken and funding allocated for a new system. Implementation will be a key project for 17/18	Financial loss; failure to achieve objectives

Appendix 4 - Quarter 3 risk register

Risk owner	Risk Area	Where risk identified	Risk Likelihood	Risk impact	Current Risk Status	Potential outcomes	Mitigation/commentary	Type of Risk
Alison Jeffery (Director of Children's Services)	Process of academisation for schools distracts schools from improving teaching and learning		Low	Low	Low	Deterioration in outcomes for children	The LA is working closely with the Regional Schools Commissioner to ensure that LA maintained schools have access to good information about the process and details of strong MATs that have capacity for growth and a good track record. The LA is also working closely with MATs operating in the area and ensuring that academisation of local schools is done in a considered but robust way.	Failure to achieve objectives
Alison Jeffery (Director of Children's Services)	Failure to provide enough secondary school places in 2022		Low	Low	Low	Failure to meet statutory duty to provide school places; secondary school pupils in Portsmouth have to attend schools outside the city (if places are available).	The risk can only be mitigated through obtaining and using sufficient basic need capital allocations to provide new places. Members have now approved significant capital investment to reduce this risk	Breach of statutory duty; significant impact on students and reputational damage.

Appendix 4 - Quarter 3 risk register

Risk owner	Risk Area	Where risk identified	Risk Likelihood	Risk impact	Current Risk Status	Potential outcomes	Mitigation/commentary	Type of Risk
Alison Jeffery (Director of Children's Services)	Failure to attract sufficient high quality teaching and school leader posts		High	High	High	Vacancies in key subject areas and leadership posts and reliance on temporary / supply / interim positions will impact on progression and attainment of pupils.	The PEP has identified this risk as a key priority and an Initial Teacher Training / Teacher Recruitment & Retention Group has been established. An action plan for 2018/19 has been agreed. Greater prioritisation given in 2018/19 and new strategy in development. New brand and website to be launched in 2019.	Reputational damage. Failure to achieve targets set by the PEP.
Alison Jeffery (Director of Children's Services)	Demand for special school places / pressure on high needs funding		High	High	High	Failure to meet statutory duty to provide special school places. Increasing pressure on the High Needs budget if specialist placements have to be sought out of the city.	Proposals are being taken to Schools Forum in October for managing the increasing need within the available resources. Additional funding provided by the Government has eased the pressure on the High Needs Block in 2018/19 and 2019/20.	Reputational damage. Financial loss. Children without a school place.

Appendix 4 - Quarter 3 risk register

Risk owner	Risk Area	Where risk identified	Risk Likelihood	Risk impact	Current Risk Status	Potential outcomes	Mitigation/commentary	Type of Risk
Alison Jeffery (Director of Children's Services)	Reductions in school budgets		Medium	High	Medium	Viability and resilience of schools.	LA maintained schools are closely monitored and where surpluses are reducing significantly the LA will challenge and support.	Unable to meet the needs of all pupils, particularly the most vulnerable.
Alison Jeffery (Director of Children's Services)	Short-term nature of service funding		High	High	High			
Alison Jeffery (Director of Children's Services)	Continued demand for UASC support		High	High	High			

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Risk Owner	Risk Area	Where risk identified	Risk Likelihood	Risk Impact	Risk Status	Potential Outcome	Mitigation / Commentary	Type of risk
ADULT'S SERVICES								
Innes Richens	ASC Workforce:		High	High	High	More frequent hospital	Action Plan has been drafted and submitted	

Appendix 4 - Quarter 3 risk register

Risk Owner	Risk Area	Where risk identified	Risk Likelihood	Risk Impact	Risk Status	Potential Outcome	Mitigation / Commentary	Type of risk
(Director of Adults Services)	Current Staffing Ratio will not be sufficient to meet requirements within PC residential units.					admissions or moves to a nursing home as behaviours cannot be managed within current staffing ratio. Adverse ratings for PCC homes	to CQC to address immediate concerns. Following completion of a unit dependency tool, the ratio of staff has increased to 1 - 4, which meets the regulatory staffing requirements for staff staffing levels across the units.	
Innes Richens (Director of Adults Services)	ASC Workforce: Workforce will not be sufficiently able to deliver against the objectives of the ASC Strategy		Low	High	Low	Failure to manage and invest in workforce will impact on ability to deliver against ASC strategy and will increase risk e.g. quality and safety of residents in units.	Revised staffing structure agreed by full council on 20/11/18 regarding the regulatory staffing requirements for staff staffing levels across the units. Staffing strategy for wider delivery of the strategic plan is being developed.	
Innes Richens (Director of Adults Services)	Service Improvement using ASC systems		High	High	High	Moving to a systems thinking approach	Ongoing - intervention work continues which evidences the need and enables	

Appendix 4 - Quarter 3 risk register

Risk Owner	Risk Area	Where risk identified	Risk Likelihood	Risk Impact	Risk Status	Potential Outcome	Mitigation / Commentary	Type of risk
Services)	thinking interventions: A consistent approach will not be achieved across both front-line and support services.					requires establishing 'constancy of purpose' and creating the right conditions for staff to work in a systems thinking way. Centralised support services are often unable to support ASC, due to driving waste steps into process. Some corporate policy frameworks conflict with the local direction of the service.	negotiations to re-shape customer-focused support to services	
Innes Richens (Director of Adults Services)	Achieving a Balanced Budget		High	High	High	Not delivering a balanced budget due to insufficient resources. Not being able	The financial outturn for 2018/19 was projected to be circa £3m in excess of the current Portfolio cash limit at the end of Quarter 2, as formally reported to the	

Appendix 4 - Quarter 3 risk register

Risk Owner	Risk Area	Where risk identified	Risk Likelihood	Risk Impact	Risk Status	Potential Outcome	Mitigation / Commentary	Type of risk
						to deliver against statutory/legislative requirements.	Council. Adult Social Care has developed a long term strategic plan and care model for the service, which will enable the service to become financially sustainable in the future within its available resources.	
Innes Richens (Director of Adults Services)	SWIFT/AIS Migration: The project will not be delivered in a timely and qualitative manner in order to meet operational needs		Medium	High	High	Previous delays in implementation have constituted a significant risk to PCC given that SWIFT/AIS support is being reduced and is likely to deteriorate.	A comprehensive project plan has been established highlighting project risks and dependencies and with a clear timeline for delivery. Implementation is scheduled for March 2019, therefore there is reduced risk re loss of SWIFT support as read only access will still be available for a designated period of time.	
Innes Richens (Director of Adults Services)	Domiciliary Care Resources: Domiciliary care will not be delivered in		High	High	High	Continued inability to contract for domiciliary care support for people living in their	Transformation fund bid approved to recruit for a 'wrap around' domiciliary care service based on reablement. There remains a recruitment challenge.	

Appendix 4 - Quarter 3 risk register

Risk Owner	Risk Area	Where risk identified	Risk Likelihood	Risk Impact	Risk Status	Potential Outcome	Mitigation / Commentary	Type of risk
	a timely and qualitative manner in order to meet the needs of people requiring services					own homes. Risk of impact on health & wellbeing, increased risk of admission to residential care. Impact on ASC budget of more expensive provision.		
Innes Richens (Director of Adults Services)	Provider Failure: Provider failure will mean that Domiciliary and Residential Care will not be delivered in a timely and qualitative manner in order to meet the needs of people requiring services		Medium	High	Medium	Both Domiciliary and Residential Care provider failure has significant impact on being able to provide vulnerable people with appropriate care and support	Monitoring mechanisms in place. 'Large Scale Enquiry' co-ordinated approach used to mitigate impacts of provider failure. Provision of advice and support.	
Innes Richens	Future Population		High	High	High	Failure to	Plans to assess this as part of Adult Social	

Appendix 4 - Quarter 3 risk register

Risk Owner	Risk Area	Where risk identified	Risk Likelihood	Risk Impact	Risk Status	Potential Outcome	Mitigation / Commentary	Type of risk
(Director of Adults Services)	Demographics : The service will not anticipate future needs					assess future population data predictions in terms of increasing demographics will mean the service may not be fit for purpose in the longer term	Care Strategy development.	
Innes Richens (Director of Adults Services)	Fulfilling safeguarding responsibilities		Medium	High	High	Failure to respond appropriately to safeguarding referrals	In addition to current work within the Adult MASH Safeguarding Team to make improvements, the possibility of an intervention to do a comprehensive analysis of demand and improvements required is being explored.	

Appendix 4 - Quarter 3 risk register

Risk owner	Risk area	Where risk identified	Risk Likelihood	Risk impact	Current Risk Status	Potential outcomes	Mitigation/commentary	Type of Risk
PUBLIC HEALTH								
DPH	Insufficient focus on system prevention and early intervention in system-wide plans	System wide working with partners	Low	Moderate	Low	Failure to reduce demand on services	Working with partners to ensure the Portsmouth Health and Care Programme is sufficiently focused on prevention and early intervention	Failure to achieve objectives
DPH	Reduction in funding in services, including for vulnerable people eg. drug and alcohol services, oral health, healthy child programme	Commissioned services	High	Moderate	High	Population health outcomes decline	Managed through service redesign, retender of services and performance management of providers, where possible.	Failure to achieve objectives

Appendix 4 - Quarter 3 risk register

Risk owner	Risk Area	Where risk identified	Risk Likelihood	Risk impact	Current Risk Status	Potential outcomes	Mitigation/commentary	Type of Risk
HOUSING, NEIGHBOURHOOD AND BUILDING SERVICES								
James Hill/Meredydd Hughes	Removal and replacement of the ACM cladding system on Leamington House and Horatia House	MHCLG testing of cladding systems	Low	Low	Low	If Central Government do not fund the removal costs, re-cladding this will be a budget pressure on the capital programme	MHCLG have confirmed grant availability for de-cladding and re-cladding. In December 2018 the MHCLG confirmed they will consider our request for £1.3m which covers the cost for removing the cladding.	Financial risk
James Hill/Paul Fielding	Rehousing households from Leamington House and Horatia House	BRE concrete core samples	Low	High	Low	Risk associated with a non-piped gas explosion, likelihood of incident is low and mitigated by measures in place but the impact is high and the building will not respond as it should.	Measures in place and rehousing scheme underway	Reputational/financial risk

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David Mearns/Mark Sage	Universal Credit Full Service roll out in Portsmouth/Cosham and Havant in Sep and Nov 2018	Current experience of UC Live Service and feedback from others already on Full Service	Medium	Medium	Medium	The government continues to make changes to the payments made available under UC and the timetable for rolling out to claimants on legacy welfare benefits has been extended to 2023. Slowing the roll out process does make it more likely that DWP systems will improve but it is impossible to forecast what future changes may be made to either payments or processes.	Staff training and tenant awareness raising is ongoing	Financial risk Risk of homelessness Risk of service deterioration
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Colette Hill/Vince Venus	Waste Management - Fluctuations in the income received from the sale of recyclable material	PI risk register	High	Medium	High	Change in the currency exchange rates, plus changes in national and international markets, could lead to a reduction in the income received. Quarterly market reports are monitored.	Veolia have short-term contracts in many of the markets around the world	Financial
Colette Hill/Vince Venus	Waste Management - Change in the structure of the waste management arrangements in Hampshire over the long term could impact upon the costs and environmental impacts of recycling and disposing of household waste	PI risk register	Low	High	Medium	The current contract for waste disposal across Hampshire ends in 2030. Changes in arrangements before this time could lead to financial costs for the three disposal authorities, which includes Portsmouth.	PCC works at all levels with other political organisations in Hampshire. Contract is in place until 2030	Political and financial

Appendix 4 - Quarter 3 risk register

Colette Hill/Vince Venus	Waste Management - Approaching the end of the current waste collection contract in 2019	Waste Collection contract risk register	High	Low	Medium	Current contractor may not retain the contract A new operator would need to take control of the service and this could lead to a temporary interruption in service	Two year extension now approved (now ends in 2021)	Financial and contractual
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Risk Owner	Risk Area	Where risk identified	Risk Likelihood	Risk impact	Current Risk Status	Potential outcomes	Mitigation/commentary	Type of risk
REGENERATION								
All managers and staff	Risk arising in the course of delivering infrastructure projects and maintaining the road network; enforcement of proper use of the network; delivering travel related	Ongoing monitoring	Low	High	Medium	Reputation of the city and the City Council with residents, businesses, investors and funding agencies.	Meeting legal requirements under Health and Safety legislation for working on the highway and other sites. Procurement of contracts to include health and safety requirements. Health and Safety training for all staff and	Personal injury / harm (to staff/contractors and residents)

Appendix 4 - Quarter 3 risk register

	events, business events and town centre management ; managing business premises; providing transport and delivering employment learning and skills services for vulnerable children and adults.						sharing of good practice. Management of Health and Safety including fire protection in all premises. Protective measures and equipment for particular vulnerable workers. Quality control in Highways design. Safeguarding and risk assessments included in service and event planning.	
Pam Turton Martin Lavers Claire Upton-Brown, Natascha McIntyre Hall	Risk to air quality from vehicles especially in areas of congestion. Flooding from sea water and surface water. Risk to the environment as a result of Planning policy and the site Planning Application process. Risk to the	Ongoing monitoring	Medium	High	Medium/High	Negative impact on public health. Damage to property; disruption to businesses and services; financial loss.	Cross directorate Air Quality Action Plan in place to tackle air pollution which includes improvements to the road network, behaviour change and a shift to cleaner travel options. Sea defence strategy flood defences underway; and improvements to surface water management the city. All environmental risks are identifies and assessed as part of the Planning Policy and	Environmental damage

Appendix 4 - Quarter 3 risk register

	environments in the course of delivering Strategic Development Projects.						planning application processes. Specialists are employed or commissioned to ensure this is fully resourced. Strategic Development projects will include environmental impact analysis and mitigation arrangements as part of the project initiation process.	
Natascha McIntyre Hall, Pam Turton, Martin Lavers, Liz Crate	Overspend on large infrastructure projects and contractual issues. That the city's parking strategy discourages travel to the city for business and leisure. Failure to generate sufficient income from contracts and services to sustain Employment, Learning and	Ongoing monitoring	Low	Low	Low	Poor use of capital finance and impact on effect on future programmes. Negative impact on the local economy and income for the council.	Effective management and governance of projects. Have an effective parking strategy for the city that balances the needs of all stakeholders. The ELS service works to maintaining excellent standards to secure full payment of all income due; and a positive reputation to secure access to future contracts and funding streams.	Financial loss

Appendix 4 - Quarter 3 risk register

	Skills programmes.							
All managers	E.g. Statutory Planning responsibilities, Blue badges and s278 notices. Flood Waters Act and Health and Safety at Work Act.	Ongoing monitoring	Low	Low	Low	Reports to monitoring agencies, changes, possible fines.	Maintaining priority focus on and adequate resourcing and expertise in these areas of responsibility.	Compliance with statutory duties and responsibilities.
All managers	Lack of investment or failure to secure capital for major strategic an infrastructure projects, or that we would not have the capacity to deliver these. Delayed city development due to slippage	Ongoing monitoring	Medium	High	Medium	Failure to deliver regeneration of the city Effect on bidding for funding and contracts, reduced investment and growth. Poor service delivery, and loss of potential to deliver future services. Reputational	Work with internal and external partners to ensure support and commitment for strategic projects and major schemes and ensure that the delivery teams are adequately resourced. Ensure that operational teams delivering day-to-day services have the resources and effective practices to meet their service objectives.	Failure to achieve objectives (both strategic and operational)

Appendix 4 - Quarter 3 risk register

	<p>in Planning policy and guidance timescales. Market conditions negatively impact on regeneration and city growth schemes, projects and developments. Lack of consensus to enable strategies to be implemented in full e.g. active travel, air quality, and sustainable transport. Insufficient staff capacity due to reduced funding and pay constraints. Lack of revenue funding to maintain or improve current levels of</p>					<p>damage and its effect on future plans, projects and initiatives. Fines and referral to other government agencies for resolution.</p>	<p>Work closely with Portfolio holders to ensure support for plans and ensure the governance processes followed. Implementation of key strategic plans, such as the Local Plan; raising the profile of affordable housing in shaping the future of Portsmouth; promotion of the city as an investment destination. The team structure for the directorate provides a core of experienced staff supported by flexible resources with specialist skills to provide value for money. Continue to bid for funding for transport initiatives to ensure that resources can be recruited to deliver them. Continue to bid for internal and external funding to support critical work programmes and transport initiatives that</p>	
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	service, e.g. road safety education and campaigns. Under-achievement on the Employment, Learning and Skills (ELS) programmes.						address travel and transport issues in the city.	
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Risk owner	Risk Area	Where risk identified	Risk Likelihood	Risk impact	Current Risk Status	Potential outcomes	Mitigation/commentary	Type of Risk
CULTURE AND CITY DEVELOPMENT								
Stephen Baily (Director of Culture and City Development)	Reduction in budgets					Reduced services and resilience	Forecast outturn for 2017/18 as at Q2 indicates an overspend of £4k.	Failure to meet objectives
Stephen Baily (Director of Culture and City Development)	Reduction in budgets					Deterioration of buildings and assets	It is likely that this will be absorbed in the remaining months of the year and that the service will be within budget by 31 March 2018. Plans are currently being	

Appendix 4 - Quarter 3 risk register

							formulated to deliver the required 2018/19 savings.	
Stephen Baily (Director of Culture and City Development)	Safety and security of buildings and assets (including collections)					Damage to buildings or collections; risk to building users if non-compliant (fire, legionella etc)	Operational plans and training of staff; actions in place following extreme weather	Personal injury, environmental, legal
Museums and Visitor Services	Security of collections against loss, theft, damage by fire or flood	At any time and especially when showing a particularly valuable or rare collection	Low		Low	Loss or damage and collections for city and for loan internationally	PDR's, 1:1's every 4 weeks and team meetings. Collections Policy and actions. Accreditation standards. Invest in Volunteer standards and	Financial and reputational
Events service	Events not properly risk assessed	At any time and especially at large events	Low		Low	Significant risk to public safety	PDR's, 1:1's every 4 weeks and team meetings. Robust events process/ PESAG process/ wash up process / events strategy / events review/ partnership working	Legislation (e.g. Health & safety)
Cemeteries	Cemeteries lack of capacity; Changing community needs e.g. different religions; Reduction in	Constant as demography of the city changes Once capacity is approaching maximum	Low		Low	Failure to deliver our statutory duty	Prepare a report on the future of burials in the city - to include estimated religious needs; Be aware of statutory legislation and requirements, plan alternatives if necessary	Environmental/ reputational

Appendix 4 - Quarter 3 risk register

	demand for traditional burials, increase in other religious/cultural burials, insufficient space/layout to accommodate, extra land required, financial impact						e.g. land buying. 15-20 year capacity	
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Risk owner	Risk Area	Where risk identified	Risk Likelihood	Risk impact	Current Risk Status	Potential outcomes	Mitigation/commentary	Type of Risk
COMMUNITY AND COMMUNICATIONS								
Louise Wilders (Director of community and communications)	Requirement to deliver substantially the same portfolio of services whilst reducing costs by more than 10% each year	Budget Impact Statement	High	Medium	Medium	Increased service times, increase in error rate, reputational damage	Reviewing opportunities of partnership working and new income streams . Channel shift implementation	Failure to achieve objectives
Louise Wilders (Director of community and communications)	Ability to implement change - level of corporate buy-in	Project documentation.	Medium	High	Medium	Wasted opportunity to achieve on-going corporate	Channel shift moving to BAU and digitisation programme. More services are requesting	Failure to achieve objectives

Appendix 4 - Quarter 3 risk register

	and understanding of > channel shift > equalities > business rates retention					savings Poor customer service outcomes	support.	
Louise Wilders (Director of community and communications)	Heavy exposure to national political dynamic around welfare reforms and local taxation, electoral issues	Project / Operational plans.	High	High	High	Abandonment of existing plans, changes in scope and responsibility, new initiatives (e.g. property revaluation)	Managing resources to meet needs but impacts on budgets of some changes a concern particularly valuation impact on NNDR	Failure to achieve objectives
Louise Wilders (Director of community and communications)	Resourcing and ability to run elections. Currently resourced by a very small team, and under-resourced in relation to comparators. Currently supported through the good will of staff across the organisation, but the experience that is periodically used	Operational plans.	Low	Low	Low	Delays / reputational damage.	Appropriate funding levels have now been agreed, as a result impact reviewed as low.	Failure to achieve objectives

Appendix 4 - Quarter 3 risk register

	to support the running of elections is also beginning to leave the organisation.							
Louise Wilders (Director of community and communications)	The Electoral Commission requires local authorities to review polling stations every 5 years, with our next review required to be completed by December 19. An increasing number of schools are declining requests to be available as polling stations, impacting both the review of polling stations and creating additional burdens due to the lack of alternatives for forthcoming elections.	Operational plans	Medium	High	Medium	Reputational damage and increased costs.	The lack of alternatives presents risk of additional costs through the provision of inferior alternatives such as portakabins. This can be mitigated through support of relevant directors and the Returning Officer to ensure the continued availability at schools which receive public funding.	Failure to achieve objectives

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Louise Wilders (Director of community and communications)	Voluntary Sector - HIVE. Ability to achieve agreement on creation of a co-operative/alliance and SLA on property and buy-in for IAG Map , would result in opportunity loss and return to provider commissioner relationship.	Programme plans	Medium	High	Medium	Reputational damage, increased cost, opportunity loss, loss of opportunity around cost avoidance	Project teams for each strand has been agreed and colleagues from VCSE engaged	Failure to achieve objectives
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Risk owner	Risk Area	Where risk identified	Risk Likelihood	Risk impact	Current Risk Status	Potential outcomes	Mitigation/commentary	Type of Risk
HR, LEGAL AND PROCUREMENT								
Jon Bell (Director of HR, Legal and Performance)	Reduced capacity	Day to day management activity	Low	High	Low	Risk to maintaining areas of business activity	Directorate has successfully delivered year on year savings and reduced in size accordingly. Additional income has been identified to maintain sufficient critical mass to meet organisation's needs. Key	Failure to achieve objectives

Appendix 4 - Quarter 3 risk register

							areas such as Child Protection Team (Legal) protected	
Jon Bell (Director of HR, Legal and Performance)	Recruitment and retention of key staff as economy continues to grow	Business Planning and workforce development	Medium	High	Medium	Loss of/difficulty in attracting sufficient skills and expertise	Some recruitment and retention issues being experienced within directorate and across wider organisation in certain specific areas - processes for market supplement payments (MOPs) have been reviewed and improved, and improvements are being made to recruitment/staff sourcing arrangements for particular roles. Also, workforce planning/succession support is being provided to managers in affected areas.	Failure to achieve objectives
Jon Bell (Director of HR, Legal and Performance)	Reduced effectiveness of governance	Audit reports and day to day HR and legal activity	Medium	High	Medium	Increased exposure to the organisation of risk arising from poor governance	Key governance controls in areas such as Internal Audit being maintained. Performance management being strengthened as directed by GAS Committee. Capacity of managers across the	Failure to achieve objectives

Appendix 4 - Quarter 3 risk register

							organisation to maintain effective governance controls is still a concern.	
Jon Bell (Director of HR, Legal and Performance)	Increased dependency on external income	Budget planning	High	Low	Low	Volatility/lack of security of service	Schools income continuing to decline due to academisation programme. Increased income from new temporary agency and new local authority partnerships.	Failure to achieve objectives
Jon Bell (Director of HR, Legal and Performance)	Dependency on key staff to deliver to internal and external clients. Additional strain on staff due to additional travelling etc		Medium	Medium	Medium	Loss of key staff, potential impacts on wellbeing, leading to inability to deliver service	Workforce planning to develop skills of wider group of staff. Regular 1-2--1s for staff where support and welfare needs are discussed	Failure to achieve objectives
Jon Bell (Director of HR, Legal and Performance)	Workforce implications arising from a "no deal" BREXIT		Medium	Low	Medium	Loss of key staff/inability to recruit staff in key areas	Briefings to existing EU nationals. Directors identifying areas of service risk	Failure to achieve objectives

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Finance & IT - Risk Register								
Risk owner	Risk Area	Where risk identified	Risk Likelihood	Risk impact	Current Risk Status	Potential outcomes	Mitigation/ commentary	Type of Risk

Appendix 4 - Quarter 3 risk register

Chris Ward, Director of Finance and IT	Maintaining overall financial resilience for the Council	Financial support to services and Council priority schemes	High	High	High	Increases in future Savings Requirements and threat to sustainable public services	Delivery of the Medium Term Financial Strategy. Maintaining General Reserves above the minimum level Retaining organisational capacity in areas responsible for delivering transformational change	Failure to achieve objectives Risk in complying with statutory duties and responsibilities
Chris Ward, Director of Finance and IT	Requirement to produce significant share of the council's savings target	Financial support to services and Council priority schemes	Medium	High	Medium	Reduction in service delivery e.g. income collection, provision of advice and management information for effective decision-making by budget holders.	Service aims to identify new income opportunities and efficiencies to meet savings targets to avoid reducing staffing to levels which compromise service delivery	Failure to achieve objectives and deliver expected service Risk in complying with statutory duties and responsibilities
Chris Ward, Director of Finance and IT	Maintaining financial resilience arising from staff reductions	Lack of cover, expertise and continuity	Medium	Medium	Medium	Reduction in service delivery and financial control	Ongoing review of business processes to ensure efficient service delivery. Raise income as a mechanism to avoid staff reductions	Delay in achievement of objectives Risk of breaching statutory duties and responsibilities

Appendix 4 - Quarter 3 risk register

Chris Ward, Director of Finance and IT	Default of an investment counterparty where the council has invested significant sums	Treasury Management strategy	Low	High	Low	Financial loss	Changing credit ratings of counterparties is kept under constant review.	Financial loss Reputational damage
Chris Ward, Director of Finance and IS	Ability to restore financial and other systems post 'event'	IT DRP	Low	High	Medium	Impact on trading services/external clients as well as PCC	A full disaster recovery exercise of the Council's enterprise resource planning system has not been tested in the recent past. The robustness of the current plan cannot therefore be fully ascertained.	Financial loss Reputational damage
Chris Ward, Director of Finance and IS	Pay levels - currently unable to compete in the financial market to attract, recruit and retain appropriately skilled staff	Professional Accountancy staff EBS	High	High	High	Increased costs to PCC of consultants, agency staff and recruitment campaigns	Development of in-house trainee programme for finance including maximising opportunities from apprenticeship levy finding to upskill staff	Failure to achieve objectives Risk in complying with statutory duties and responsibilities
Chris Ward, Director of Finance and IS	Maintaining closing of accounts deadline at new statutory deadline of 31 st	Resourcing priorities	Medium	High (Reputationally) Low (on Council services)	Low	Reduction in time to complete accurate statutory reports Adverse Audit report	Deadline achieved in 2017/18 maintains risk status at L based upon current resource levels	Failure to achieve objectives Risk in complying with statutory duties and responsibilities

Appendix 4 - Quarter 3 risk register

	May							Reputational damage
Chris Ward, Director of Finance and IS	Meeting customers' expectations re new technology that is in general use by other organisations or day-to-day personal use	Aging technology increases risks to PCC business modernisation	Medium	High	Medium	Inefficient ways of working across PCC and partners	With the IT Strategy, Category Plan , IT restructure and Digital City Strategy either complete or underway likelihood is now downgraded from H to M	Failure to achieve objectives and deliver expected service
Chris Ward, Director of Finance and IS	Project delivery	Potential insufficient resource to address business need	Medium	Medium	Medium	Impact upon business change Impact upon time, cost and quality schedules	Use of 3 rd parties to provide capability/capacity but skill set(s) not always readily available. Adherence to robust governance & resource planning/prioritisation essential with dedicated teams	Failure to achieve objectives and deliver expected service. Impact on conflicting BAU/modernisation programme requirements
Chris Ward, Director of Finance and IS	Roadmaps, contract pipeline and NPD - project prioritisation, supplier relationship management (SRM)and contract management	Increased costs to PCC	High	High	High	Risk that parts of the IT infrastructure become obsolete /out of support(e.g. Server 2008).	Introduction of "best in Class" Architect Practice and Competencies. Focus on Business engagement with Directors to inform project prioritisation and SRM with Commercial Manager.	Financial loss; Operational degradation; reputational damage

Appendix 4 - Quarter 3 risk register

Chris Ward, Director of Finance and IS	Changes from central government - ongoing risk of changes to either PSN or service department data requirements	Changes required to systems and IT infrastructure cannot be achieved on time	Low	High	Medium	Loss of PSN accreditation; security or data breach	Latest Security audit was credited with being the best that the IT has had so far. External threats however remain an ever present risk.	Financial loss; Failure to maintain organisational business objectives; reputational damage
Chris Ward, Director of Finance and IS	Strength of Cyber-security arrangements - other local authorities have received ransomware attacks: end user alert-based system at the moment leaves PCC vulnerable because e a "zero day attack" could evade our current defences.	Loss of key business systems and data breaches	High	High	High	Potential multiple impacts - high likelihood and high impact	Continuous improvements to detection and protection are being implemented. Work underway to further procure and implement industry standard detection and remediation. Measures taken to address issue include educating the authority on how to identify malicious emails and security threats and PCC have received national recognition in their involvement in developing education material.	Financial loss; Operational degradation; reputational damage
Chris Ward, Director of Finance and IT	Single points of failure in ICT infrastructure and systems access	Loss of key business systems and ability to maintain IT	High	High	High	Key information unavailable - impacts on frontline and critical activity	IT Strategy programme including use of Azure and effective reconfiguration will increase corporate resilience and less reliance	Failure to achieve objectives; Operational degradation; Impact on Frontline Service

Appendix 4 - Quarter 3 risk register

		operations to support PCC business activities					on Data centre.	Delivery
Chris Ward, Director of Finance and IT	Legislative/statutory guidance/budget changes	External	Medium	High	Medium	Unable to borrow to replace existing property rental purchases	Mitigation in part by establishment of investment reserves	Financial loss
Chris Ward, S151 Officer	PFI contract	Renegotiation of contract	Medium	Low	Medium	Unaffordability / contract failure	Strong negotiating strategy, effective engagement with contractor, strong contract intelligence	Financial loss
Chris Ward, Director of Finance and IT	Serious instance of fraud	Council wide	Low	High	Low		Robust Audit plan including fraud detection strategy	Reputational damage
Chris Ward, S151 Officer	Data Breaches		Low	High	Low		Clear desk policy Policy reminders	Reputational damage & fine
Chris Ward, S151 Officer	Failure to deliver a balanced budget over time	Delivery of Council services	Low	High	Medium	Unable to deliver service outcomes. Not fulfilling statutory role	Delivery of the Medium Term Financial Strategy. Maintaining General Reserves above the minimum level Retaining organisational capacity in areas responsible for delivering transformational change Prioritise resource towards	Risk in complying with statutory duties & responsibilities with an impact on the delivery of a wide range of discretionary services

Appendix 4 - Quarter 3 risk register

							high risk activities	
Chris Ward, S151 Officer	Failure of income generation activities	Review of Investment Case for Victory Energy Supply Company	High	High	High	Reduction in medium to long term income opportunities	Reviews undertaken by independent experts, strong & experienced management structure, scenario modelling, robust risk management framework, legal advice, strong performance management, solid due diligence & frequent monitoring	Financial loss Reputational damage
Chris Ward, S151 Officer	Failure to deliver a balanced budget over time	Delivery of Council services	Low	High	Medium	Unable to deliver service outcomes. Not fulfilling statutory role	<p>Delivery of the Medium Term Financial Strategy.</p> <p>Maintaining General Reserves above the minimum level</p> <p>Retaining organisational capacity in areas responsible for delivering transformational change</p> <p>Prioritise resource towards high risk activities</p>	Risk in complying with statutory duties & responsibilities with an impact on the delivery of a wide range of discretionary services

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STRATEGIC RISK SUMMARY

Strategic Risk	Where noted
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Appendix 4 - Quarter 3 risk register

1.	Pressures lead to increased caseloads and therefore reduced practice quality in children's social care, increasing vulnerability of children and leading to a preventable incident.	Children's quarterly risk register
2.	Challenges in recruiting and retaining key staff and skills into the city, meaning that key services are compromised.	Various directorate registers
3.	Pressures in the local market for care services, including residential and domiciliary care, mean that care of vulnerable adults is compromised, leading to a preventable incident.	Adult's quarterly risk register
4.	Reduction in services for vulnerable people, such as domestic violence and substance misuse service, lead to poorer outcomes and increased demand for other services.	Public health and children's quarterly risk register
5.	Failure to protect the city environment, including in relation to air quality, flood defence and natural and heritage assets.	Regeneration risk register
6.	Exposure to national level political and legislative change (such as welfare reform) including impact on scope of duties, powers, responsibilities and service demand.	Various directorate registers and AGS
7.	Exposure to system failure, including support expiry, single points of failure, cyber-security and system recovery	Various directorate registers and AGS
8.	Failure to ensure the City Council's information is held and protected in line with Information Governance policies and procedures	Various directorate registers and AGS
9.	Failure to fulfil health and safety responsibilities, including in respect of operational and heritage buildings.	Various directorate registers
10.	Increased partnering, alternative delivery models and commercial approaches increase pressure on capacity, challenge governance arrangements, and increase risk of income loss if arrangements cease.	Various directorate registers and AGS
11.	Addressing underlying budget pressures and delivering effective and sustainable services, particularly in children's and adults' services.	Various directorate registers and AGS
12.	Major incident or service disruption (including serious health protection threats) leading to delivery failure that significantly impairs or prevents the Council's ability to deliver key services and/or statutory functions.	Various directorate registers
13.	Failure to deliver strategic improvements for the city, due to wider market factors	Various directorate registers

Agenda Item 11

THIS ITEM IS FOR INFORMATION ONLY



Portsmouth
CITY COUNCIL

Title of meeting:	Governance and audit and standards committee
Subject:	Procurement management information
Date of meeting:	8 March 2019
Report by:	Director of finance and information services
Wards affected:	N/A

It is recommended that the attached appendices **4 and 5** be considered as an exempt/confidential matter and that the press and public are excluded for the following reasons:

- Exempt information is defined in section 100A and, by reference, schedule 12A of the Local Government Act 1972 ("the 1972 act"). To be exempt, information must fall within one of the categories listed in paragraphs 1 to 7 of schedule 12A, must not fall within one of the excluded categories in paragraphs 8 and 9 and the public interest in maintaining the exemption must outweigh the public interest in disclosing the information;
- The attached appendices **4 and 5** contain some information relating to the financial or business affairs of particular companies as well as PCC; and
- Although there is a public interest favouring public access to local authority meetings, given the financial and commercially sensitive information contained in the report the public interest in maintaining the exemption outweighs the public interest in disclosing the (exempt) information.

1. Requested by

Governance and audit and standards committee

2. Purpose

To provide evidence to allow the committee to evaluate the extent that Portsmouth City Council is achieving value for money in its contracts for goods, services and works.

3. Information requested

The way that the city council demonstrates that it is paying competitive rates is by:

- a) subjecting procurement to a competitive process
- b) ensuring that we obtain the quality of service that we are paying for
- c) testing value for money against industrial comparators

Section 1: compliance with contract procedure rules

This table reports on all invoices paid against purchase orders with a value of £5,000 or more in **December 2018**. This corresponds to the threshold between low-value and medium-value contracts from the contract procedure rules.

Contracts of £5,000 or more must be published on the contracts register

The presence of a contract on the contracts register implies that either:

- The contract has been awarded following a competitive process of quotation or tender and that at least three written quotations or tenders have been received; or
- A waiver has been approved by the appropriate director, the procurement manager or gateway board to allow departure from the contract procedure rules with written justification for this approval.

The committee approved a recommendation of a target of greater than 95% conformance with contract procedure rules. Where this target is not met by an individual directorate, a comment on the risk of the non-compliant spend in the monitoring month is provided by the procurement manager.

Purchase orders that are linked to a contract on the contracts register are flagged as compliant. Legal services has commented that whilst this methodology is indicative of good practice, is not definitive as to compliance with legal requirements.

THIS ITEM IS FOR INFORMATION ONLY



Directorate	Year to date 2018/19			December 2018			Risk (if less than 95% target)
	Total transaction value	Total value of non-compliant transactions	% compliance	Total transaction value	Total value of non-compliant transactions	% compliance	
Adult services	£34,495,589	£2,121,393	94%	£3,761,881	£44,157	99%	
Children's services and education	£17,116,795	£5,157,370	70%	£1,906,578	£524,041	73%	LOW
Community and communication	£959,453	£165,645	83%	£56,189	£0	100%	
Culture, leisure and regulatory services	£3,249,640	£496,459	85%	£454,007	£16,905	96%	
Finance and information services	£4,078,565	£341,274	92%	£231,831	£4,667	98%	
Housing, neighbourhood and building s.	£37,452,871	£3,539,128	91%	£4,262,435	£22,385	99%	
HR, legal, audit and performance	£2,730,393	£33,982	99%	£299,757	£0	100%	
Portsmouth international port	£7,256,897	£5,150	100%	£411,949	£0	100%	
Public health	£7,262,730	£178,498	98%	£282,809	£0	100%	
Regeneration	£11,341,295	£519,772	95%	£319,057	£7,063	98%	
Capital schemes	£29,646,638	£3,801,703	87%	£4,626,367	£30,681	99%	
TOTAL	£155,590,866	£16,360,375	89%	£16,612,859	£649,899	96%	

A detailed commentary on non-compliant transactions in the month of December 2018 is provided in **appendix 1**.

Reports on low level transactions (less than £5,000) have not been requested by the procurement manager and so do not appear in appendix 1.

Section 2: waivers awarded this quarter

This table presents a summary of those contracts added to the contract register during Q3 2018/19 which have a waiver associated with them.

Waivers for procurements which depart from the contract procedure rules are recorded for contracts over £5,000 value.

Available reasons for waivers are:

- Direct award
- Not obtaining 3 bids
- Not advertising the opportunity
- Insufficient time
- Emergency
- Use of a previous tender
- Original spend estimate wrong
- Shared service
- Single source
- Service user choice
- Other

Under the contract procedure rules, waivers can be approved by:

- Director (or chief executive, or deputy chief executive) - up to £100,000
- Procurement manager - £100,000 to £1M
- Gateway board - over £1M

More detail regarding waivers approved in Q3 2018/19 is provided in **appendix 2**

Use of waivers in Q3:

Reason for waiver	Number of contracts	Contract value
Direct award	28	£895,894
Insufficient time	6	£166,100
Not obtaining 3 bids	1	£89,312
Shared service	1	£6,500
Total	36 (26% of all contracts awarded in Q3)	£1,157,806 (1% of all contracts awarded in Q3)


Detail of waivers awarded in Q3:

	Value of all contracts awarded Q3	Total number of contracts awarded Q3	Waiver reasons	Value of Waivers Q3	Number of waivers Q3
Adult services	£ 145,557,121	58	Direct award	£ 135,000	2
			Insufficient time	£ 153,000	5
			TOTAL WAIVERS	£ 288,000	7
			Waivers as % of all contracts	0%	12%
Children's services and education	£ 89,800	5	Direct award	£ 70,200	3
			Insufficient time	£ 13,100	1
			Shared service	£ 6,500	1
			TOTAL WAIVERS	£ 89,800	5
Waivers as % of all contracts	100%	100%			
Community and communication	£ 117,202	2	Direct award	£ 71,000	1
			TOTAL WAIVERS	£ 71,000	1
			Waivers as % of all contracts	61%	50%
Culture and city development	£ 159,539	7	Direct award	£ 28,302	3
			Not obtaining 3 bids	£ 89,312	1
			TOTAL WAIVERS	£ 117,614	4
Waivers as % of all contracts	74%	57%			
Finance and information services	£ 455,760	22	Direct award	£ 97,197	4
			TOTAL WAIVERS	£ 97,197	4
			Waivers as % of all contracts	21%	18%
Housing, neighbourhood and building services	£ 5,619,126	22	Direct award	£ 107,671	3
			TOTAL WAIVERS	£ 107,671	3
			Waivers as % of all contracts	2%	14%
HR, legal, audit and performance	£ 253,000	5	Direct award	£ 60,000	2
			TOTAL WAIVERS	£ 60,000	2
			Waivers as % of all contracts	24%	40%
Portsmouth international port	£ 307,806	7	Direct award	£ 307,806	7
			TOTAL WAIVERS	£ 307,806	7
			Waivers as % of all contracts	100%	100%
Public health	£ -	0		£ -	0
			TOTAL WAIVERS	£ -	0
			Waivers as % of all contracts	-	-
Regeneration	£ 1,345,118	9	Direct award	£ 18,718	2
			TOTAL WAIVERS	£ 18,718	2
			Waivers as % of all contracts	1%	22%
TOTAL	£ 153,999,472	138			

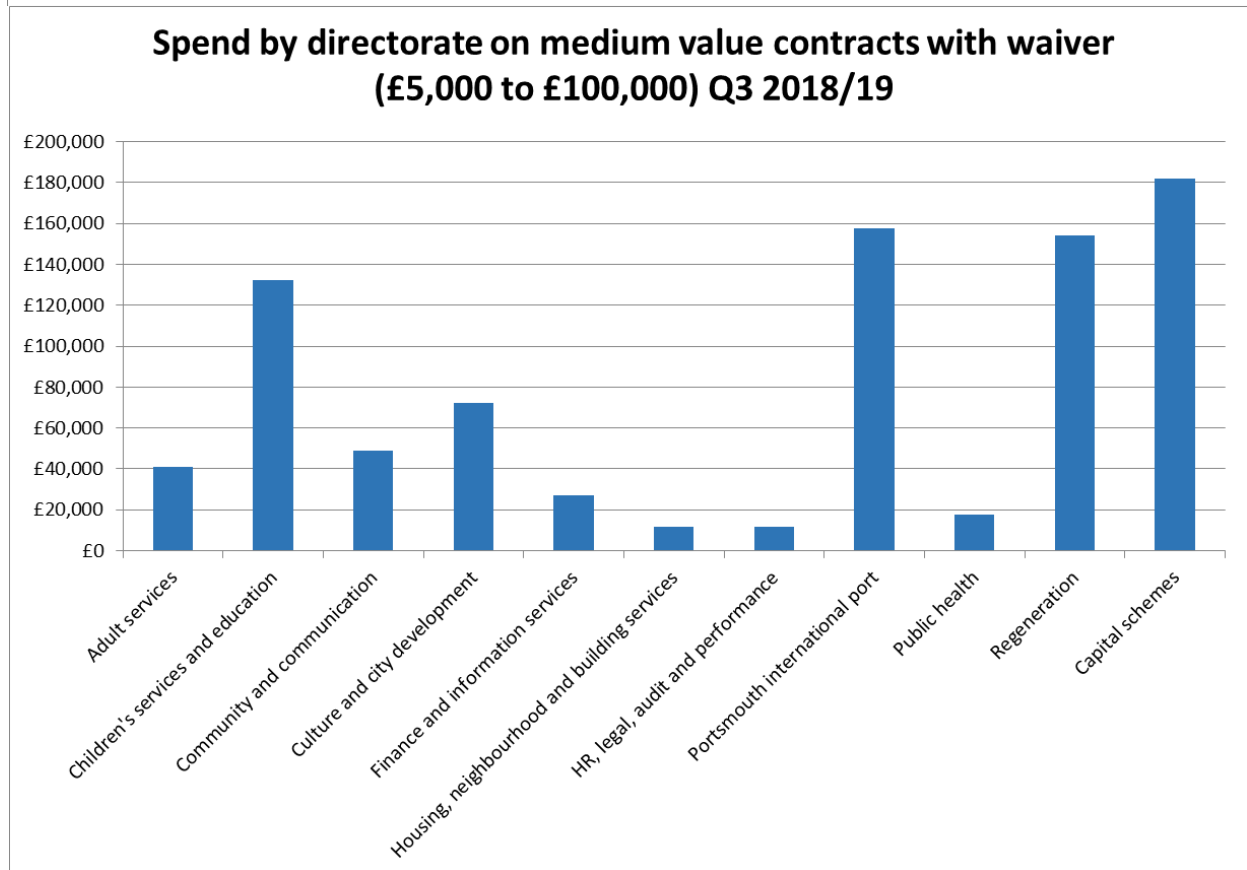
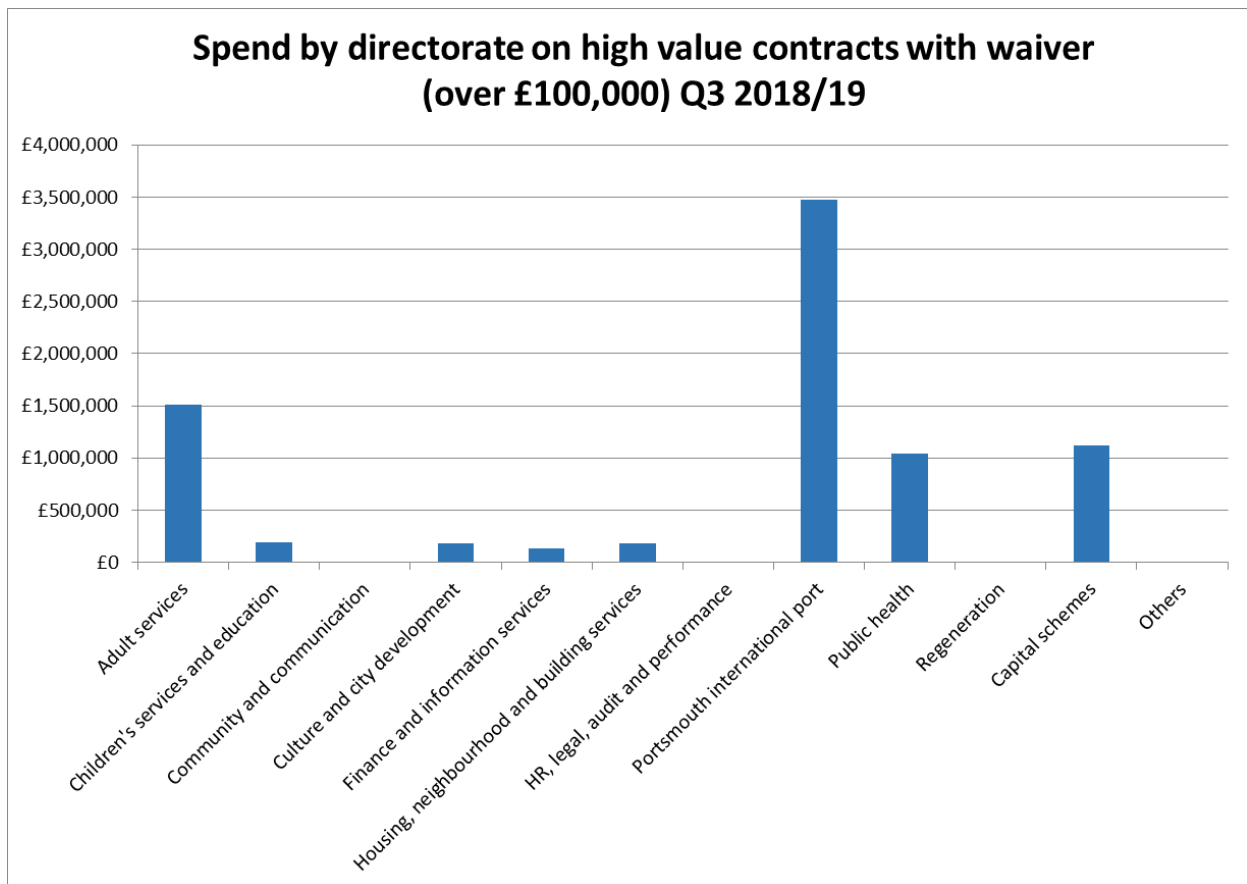
Section 3: spend with waiver

The table and graphs provide a breakdown by directorate of the actual spend during Q3 2018/19 on contracts which have waivers associated with them (regardless of when the waiver was approved).

Waivers are not required for contracts below £5,000 (under CPRs).

See **appendix 3** for details of payments under contracts with waivers in Q3.

	Total spend in quarter	Waiver spend in quarter	% of total spend covered by waiver in quarter
Adult services	£12,654,233	£1,556,131	12%
Children's services and education	£5,595,462	£320,619	6%
Community and communication	£339,965	£48,741	14%
Culture, leisure and regulatory services	£1,217,179	£250,721	21%
Finance and information services	£1,340,236	£159,647	12%
Housing, neighbourhood and building services	£14,038,870	£191,436	1%
HR, legal, audit and performance	£996,676	£11,607	1%
Portsmouth international port	£5,416,912	£3,633,843	67%
Public health	£2,599,607	£1,058,363	41%
Regeneration	£686,568	£158,427	23%
Capital schemes	£14,275,681	£1,300,014	9%
Executive	£11,595	£0	0%
TOTAL	£59,172,984	£8,689,549	15%

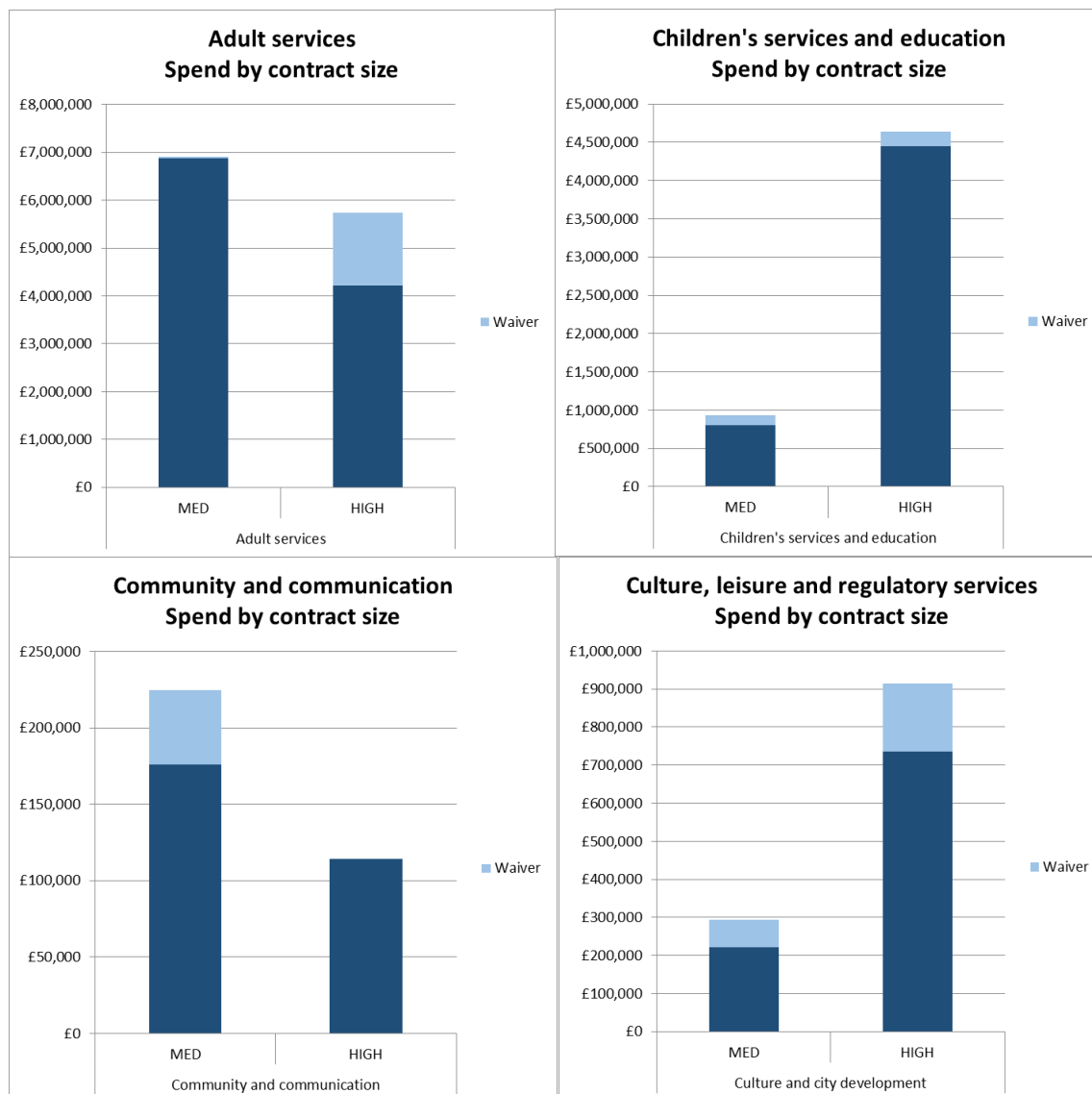


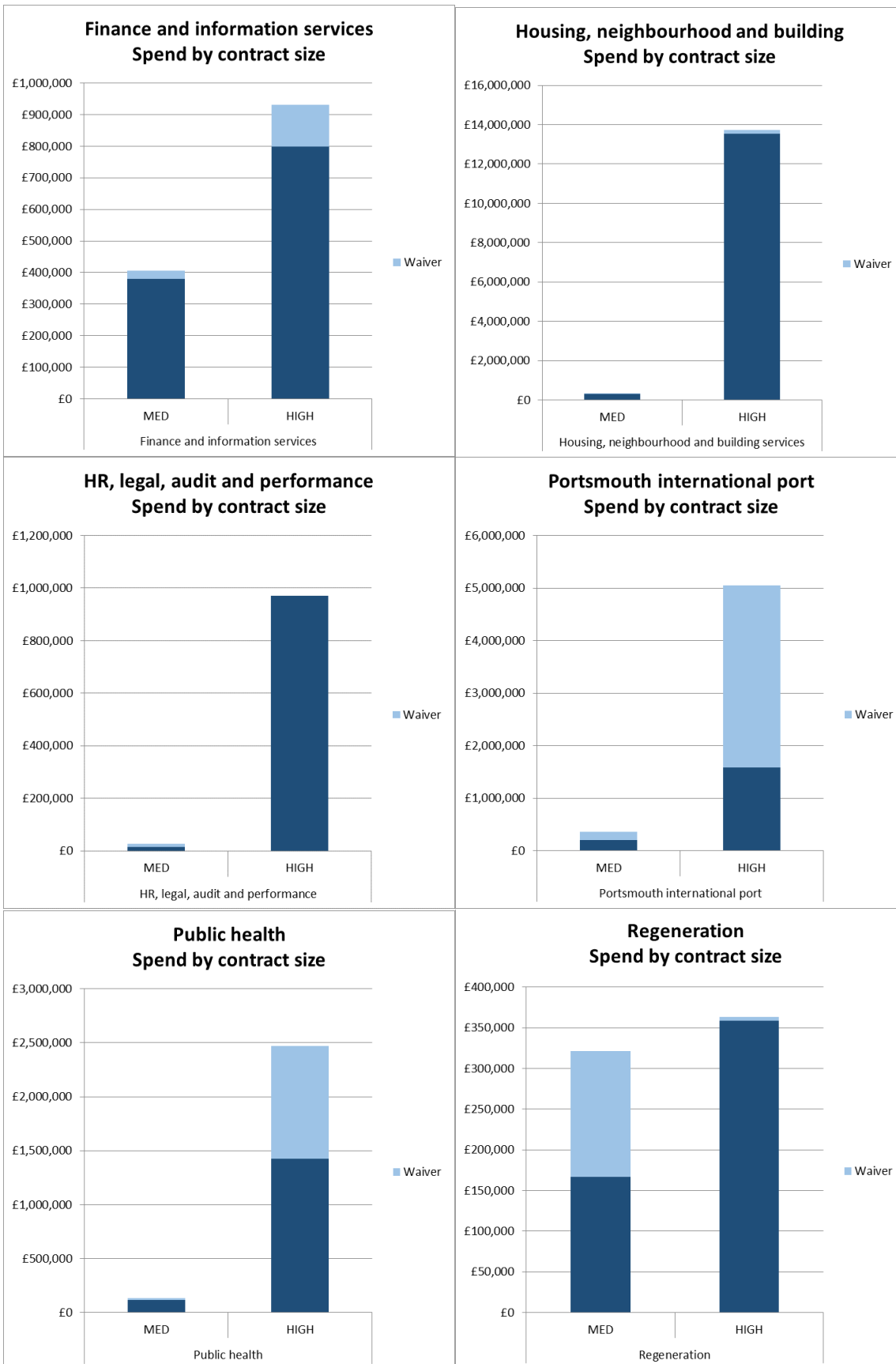
Section 4: spend by contract size

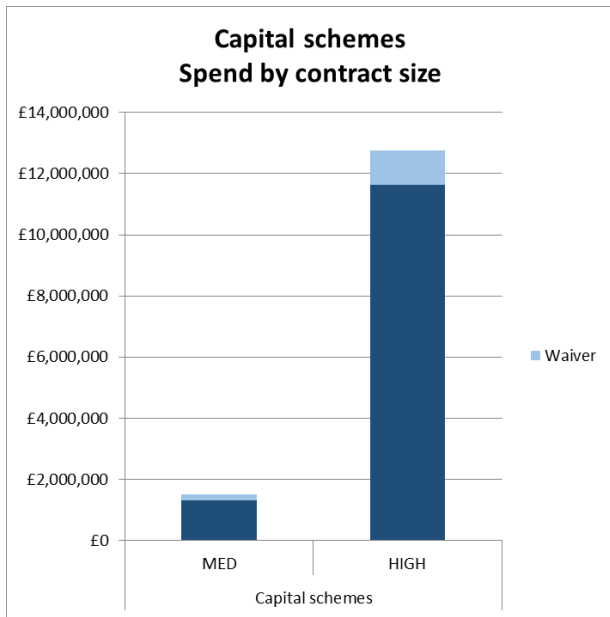
The following graphs present the actual spend by directorate in Q3 2018/19, and how this is broken down into spend under high and medium value contracts.

High value contracts £100,000 and over
 Medium value contracts between £5,000 and £100,000

The columns are stacked to show the proportion of the total spend which has been associated with a waiver.







Section 5: top 20 suppliers

The table below shows the council's top 20 suppliers and provides details of the nature and value of the contracts with them.

	Supplier	Principal activity of supplier	Directorates spending with this supplier	Value of spend in Q3	Contract name / purchase order detail	Lifetime contract value
1	ENSIGN HIGHWAYS LTD	Acts as highway maintenance contractors, specifically to operate a PFI contract with Portsmouth City Council	Finance and information services	£6,647,058	Highways PFI - Portsmouth	£625,000,000
			Capital schemes - traffic and transportation	£466,215	Purchase of LED apparatus and CMS apparatus	£600,000
			Capital schemes - traffic and transportation	£198,131	Highways PFI - Portsmouth	£625,000,000
			Regeneration	£12,469	Highways PFI - Portsmouth	£625,000,000
			Housing, neighbourhood and building services	£12,348	Highways PFI - Portsmouth	£625,000,000
			ENSIGN HIGHWAYS LTD TOTAL	£7,336,221		
2	MOUNTJOY LIMITED	Facilities maintenance and the provision of building services	Housing, neighbourhood and building services	£4,080,222	Housing Repair and Maintenance - Mountjoy (1)	£130,000,000
			Housing, neighbourhood and building services	£181,829	Southampton House	£245,423
			Housing, neighbourhood and building services	£40,019	Internal & External Repairs and Decoration - Sharps Road	£362,286
			Capital schemes - education	£514,893	The Vanguard Centre - Alteration, Extension and Refurbishment Works	£2,219,037
			Capital schemes - culture leisure and sport	£3,083	Mountbatten Centre Refurbishment	£512,200
			MOUNTJOY LIMITED TOTAL	£4,820,046		
3	COMSERV (UK) LIMITED	The provision of maintenance services to local authorities	Housing, neighbourhood and building services	£4,385,301	Housing Repair and Maintenance - Comserv (1)	£130,000,000
			Housing, neighbourhood and building services	£267,799	Decoration - The Courts	£481,103
			COMSERV (UK) LTD TOTAL	£4,653,101		



	Supplier	Principal activity of supplier	Directorates spending with this supplier	Value of spend in Q3	Contract name / purchase order detail	Lifetime contract value
4	BAM CONSTRUCTION LTD	Design and construct contracting and traditional building and the provision of services in the united kingdom	Capital schemes - PRED (exc. Port & Solent LEP)	£3,033,529	Design & Construction Work - Dunsbury Park Plot 3	£6,500,000
			BAM CONSTRUCTION LTD TOTAL	£3,033,529		
5	KNIGHTS BROWN CONSTRUCTION LTD	Civil engineering and construction	Capital schemes - environment	£1,794,335	North Portsea Island CFERM Scheme – Phase 2: Milton Common and Great Salterns Quay	£2,490,190
			KNIGHTS BROWN CONSTRUCTION LTD TOTAL	£1,794,335		
6	FELTHAM CONSTRUCTION LIMITED	Building contractors	Capital schemes - housing RA	£1,766,846	Design & Construction of Residential Developments - Land adj Kingsclere Avenue, Havant	£7,015,261
			FELTHAM CONSTRUCTION LIMITED TOTAL	£1,766,846		
7	SOLENT NHS TRUST	Public sector hospital activities, including NHS trusts	Public health	£925,494	Provision of 0-5 services (Health Visitors)	£13,056,940
			Public health	£504,131	Provision of Public Health Services: Level 3 Sexual Health Services	£10,829,900
			Public health	£107,307	School Nursing - early help and prevention services	£858,478
			Children's services and education	£58,146	Contract for Public Health Services	£10,725,540
			Children's services and education	£2,584	PROVISION OF TRAINED TRACHEOTOMY STAFF TO ACCOMPANY CHILDREN ON TRANSPORT	£28,434
			Children's services and education	£1,154	SUPPLY OF MEDICAL ASSISTANCE TO YOUNG PERSON 2018 -2019	£4,788
			Adult services	£28,380	Continuing Care Packages	£557,000
			Adult services	£11,250	Contract for Public Health Services	£10,725,540
			Adult services	£9,825	50% OF POST INTEGRATED TEAM MANAGER 2018/19	£39,301
			SOLENT NHS TRUST TOTAL	£1,648,271		



	Supplier	Principal activity of supplier	Directorates spending with this supplier	Value of spend in Q3	Contract name / purchase order detail	Lifetime contract value
8	HAMPSHIRE COUNTY COUNCIL	General (overall) public service activities	Adult services	£1,187,184	Provision of Care - Harry Sotnick House	£8,000,000
			Adult services	£2,852	HARRY SOTNICK HOUSE - GENERAL SUPPLIES	£11,447
			Adult services	£12,337	Direct payment	£48,946
			Adult services	£49,155	Residential care	£63,868
			Adult services	£27,865	Day care	£61,269
			Children's services and education	£99,692	CFL 2018/19 ELEMENT 3 TOP FUNDING VARIOUS SCHOOLS HCC	£214,800
			Children's services and education	£22,173	Independent Fostering Agency - South Central	£12,000,000
			Children's services and education	£10,196	SECONDMENT OF MEMBER OF STAFF TO PCC ACADEMIC YEAR 2017-18	£24,471
			Children's services and education	£10,000	Independent Sexual Violence Advocates (ISVA) service - provided by Yellow Door	£10,000
			Children's services and education	£8,111	TRANSPORT RECHARGES	£38,000
			Regeneration	£47,130	PROVISION OF RANGERS TO SUPPORT THE BIRD AWARE PARTNERSHIP	£188,518
			Regeneration	£8,000	Technical Service Level Agreement	£68,600
			Regeneration	£953	SOCIO-ECONOMIC DASHBOARD	£5,000
			Capital - traffic and transportation	£5,000	ANNUAL COSTS FOR MEMBERSHIP OF THE HAMPSHIRE COUNTRYSIDE ACCESS FORUM	£5,000
			Culture, leisure and regulatory services	£541	SCIENTIFIC CONSULTANCY SLA 2017/2018	£3,000
		HAMPSHIRE COUNTY COUNCIL TOTAL	£1,491,188			
9	LIBERTY GAS GROUP LIMITED	The provision of installation, service and repair of gas appliances	Housing, neighbourhood and building services	£1,198,494	Gas Maintenance and Annual Servicing of Housing Properties	£45,000,000
			LIBERTY GAS GROUP LIMITED TOTAL	£1,198,494		



	Supplier	Principal activity of supplier	Directorates spending with this supplier	Value of spend in Q3	Contract name / purchase order detail	Lifetime contract value
10	THE SOCIETY OF ST JAMES	The relief of poverty, sickness, hardship and distress in particular of persons who are homeless, unemployed or who have drug, alcohol or other substance addiction	Public health	£730,190	Integrated Drug and Alcohol Recovery, Supported Housing and Homeless Support Service	£8,373,948
			Housing, neighbourhood and building services	£124,545	Young Persons' Hostel Services - Portsmouth	£1,873,713
			Housing, neighbourhood and building services	£91,582	Integrated Drug and Alcohol Recovery, Supported Housing and Homeless Support Service	£8,373,948
			Housing, neighbourhood and building services	£32,996	Supporting People - Single Homeless and Substance Misuse	£507,096
			Adult services	£37,148	Substance Misuse and Mental Health Dual Diagnosis Supported Living Service	£500,059
			Adult services	£4,543	SUPPORT HOURS TO ASSIST SOMEONE IN THEIR OWN HOME AND IN THE COMMUNITY	£7,425
			THE SOCIETY OF ST JAMES TOTAL	£1,021,003		
11	COMENSURA LTD	The management of contingent labour spend on both a vendor independent and a vendor neutral basis	HR, legal, audit and performance	£953,791	Managed Services for Temporary Agency Resources to Portsmouth City Council	£10,000,000
			COMENSURA LTD TOTAL	£953,791		
12	SEVACARE (UK) LTD	The provision of home care services	Adult services	£611,034	EXTRA CARE SCHEMES - CARE PROVISION (Portsmouth)	£10,727,650
			Adult services	£250,501	Domiciliary Care	£844,535
			Housing, neighbourhood and building services	£18,899	Domiciliary Care Services through Guaranteed Hours	£278,133
			SEVACARE (UK) LTD TOTAL	£880,434		



	Supplier	Principal activity of supplier	Directorates spending with this supplier	Value of spend in Q3	Contract name / purchase order detail	Lifetime contract value
13	D M HABENS (THE BUILDER) LTD	General builders	Capital schemes - education	£424,950	Craneswater Junior School Expansion	£1,454,672
			Capital schemes - education	£275,882	School expansion - Northern Parade Infants	£2,009,136
			Capital schemes - education	£28,523	WIMBOURNE JUNIOR SCHOOL - EXTERNAL REPAIRS	£28,733
			Capital schemes - children's services	£98,363	External and internal decorations and refurbishment - Tangier's Rd Children's Home	£443,070
			Housing, neighbourhood and building services	£37,033	Repair and decoration - Rochford Road	£845,566
			Housing, neighbourhood and building services	£3,408	St George's Beneficial School - Extension	£132,777
			Housing, neighbourhood and building services	£1,167	Sparrow Close Blocks - 2017	£490,524
			Capital schemes - resources	£1,706	GENERAL BUILDING WORKS - GUILDHALL CHAMBERS	£83,983
			D M HABENS (THE BUILDER) LTD TOTAL			£871,031
14	WESTCOAST LIMITED	The provision of wholesale distribution of computer peripheral equipment and related services.	Capital schemes - resources	£682,605	Provision of Desktop Hardware	£540,000
			Finance and information services	£79,213	Provision of Desktop Hardware	£540,000
			WESTCOAST LIMITED TOTAL			£761,818
15	BIFFA MUNICIPAL LTD	The provision of municipal services	Housing, neighbourhood and building services	£741,442	Domestic Waste Collection Services in Portsmouth	£24,800,000
			BIFFA MUNICIPAL LTD TOTAL			£741,442
16	DIMENSIONS (UK) LTD	Support for people with learning disabilities and autism	Adult services	£678,895	Domiciliary care	£3,074,984
			Adult services	£49,314	Supported Living - GSS	£628,020
			DIMENSIONS (UK) LTD TOTAL			£728,209

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	Supplier	Principal activity of supplier	Directorates spending with this supplier	Value of spend in Q3	Contract name / purchase order detail	Lifetime contract value
17	DARWIN GROUP LIMITED	Supply and rental of modular buildings	Capital schemes - education	£697,698	Cliffdale Primary Academy Expansion - Design & Build Works	£1,595,500
			DARWIN GROUP LIMITED TOTAL	£697,698		
18	ZURICH INSURANCE PLC	Underwriting of general insurance business for personal and commercial customers	Finance and information services	£523,976	Insurance Services 2017 - 2020 - Property and Leaseholders Property Insurance	£1,640,907
			Finance and information services	£88,849	Insurance Services 2017 - 2020 - Engineering Insurance	£225,777
			Finance and information services	£37,310	Insurance Services 2017 - 2020 - Motor Insurance	£108,669
			Finance and information services	£11,112	Insurance Services 2017 - 2020 - Personal Accident and Travel Insurance	£34,428
			ZURICH INSURANCE PLC TOTAL	£661,247		
19	COMMUNITY INTEGRATED CARE (CIC)	A special needs housing and care provider	Adult services	£278,590	Domiciliary care	£1,093,481
			Adult services	£207,478	Residential care	£653,397
			Adult services	£122,653	Supported Living at Temple Court	£769,689
			Adult services	£5,239	Supported Living and Housing Related Support in Portsmouth - CIC	£4,017,126
			COMMUNITY INTEGRATED CARE (CIC) TOTAL	£613,960		
20	CRAEMER UK LTD	Manufacture and distribution of waste disposal products and plastic pallets and boxes.	Capital schemes - environment	£599,165	Plastic Wheeled Bin Supply - Domestic Refuse	£700,000
			Capital schemes - traffic and transportation	£12,000	Plastic Wheeled Bin Supply - Domestic Refuse	£700,000
			CRAEMER UK LTD TOTAL	£611,165		

Section 6: suppliers paid over £100,000 in Q3 by directorate

The tables show those suppliers who have been paid over £100,000 in Q3 2018/19 by directorate. They are arranged in descending order of value by directorate.

The spend with these suppliers represents **87%** of the total spend in Q3.

The **90** suppliers below represent **14%** of the total number of suppliers paid in Q3 (631).

	Q3 spend with supplier	% of directorate Q3 spend
Adult services		
HAMPSHIRE COUNTY COUNCIL	£1,279,393	10%
SEVACARE (UK) LTD	£861,535	7%
DIMENSIONS (UK) LTD	£728,209	6%
COMMUNITY INTEGRATED CARE (CIC)	£613,960	5%
MILLBROOK HEALTHCARE	£599,824	5%
VOYAGE CARE	£509,511	4%
AFFINITY TRUST LTD	£506,293	4%
CREATIVE ADVANCES LTD	£309,284	2%
CARE MANAGEMENT GROUP LIMITED	£286,474	2%
APEX PROPERTY VENTURES LTD	£255,984	2%
KARE PLUS NATIONAL	£246,841	2%
DOLPHIN HOMES LTD	£229,700	2%
THE YOU TRUST	£228,458	2%
CRESCENT COMMUNITY CARE SERVICES LTD	£186,468	1%
CROSSBIND LTD T/A COSHAM COURT	£180,901	1%
CHOICE CARE GROUP	£149,602	1%
CHAOS SUPPORT LIMITED	£148,904	1%
ROYAL MENCAP SOCIETY	£141,777	1%
BEDHAMPTON NURSING HOME	£130,041	1%
AUTISM HAMPSHIRE	£129,874	1%
PATHWAYS SUPPORT	£127,538	1%
HANDLE WITH CARE (PORTSMOUTH) LTD	£127,038	1%
GO CREATE CARE LIMITED	£125,452	1%
RICHMOND FELLOWSHIP	£125,067	1%
ENTHUSE CARE	£124,831	1%
NHS PORTSMOUTH CCG	£123,145	1%
ASTER CARE LTD	£119,387	1%
MINSTEAD TRUST	£119,179	1%
B S CARE LTD	£112,311	1%
NIGHTINGALES GOLDEN CARE	£107,510	1%
AGINCARE UK	£107,448	1%
OXFORD COMPUTER CONSULTANTS LIMITED	£103,300	1%
Children's services and education		
GRANNAG LIMITED	£540,763.80	10%
CAMBIAN GROUP LTD	£364,828.91	7%
ISS FACILITY SERVICES EDUCATION	£319,196.55	6%

V CARE 24 LIMITED	£306,347.50	5%
COMPASS FOSTERING LIMITED	£243,771.19	4%
SUNBEAM FOSTERING AGENCY	£218,765.62	4%
SOUTHERN DOMESTIC ABUSE SERVICE	£211,609.06	4%
PRIORY CENTRAL SERVICES LIMITED	£184,323.26	3%
PETES AIRLINK LIMITED	£173,138.57	3%
BARNARDO SERVICES LTD	£158,783.99	3%
KEYWORK CENTRAL LTD T/A STREET SUPPORT	£158,533.44	3%
HAMPSHIRE COUNTY COUNCIL	£150,171.99	3%
AQUA CARS LIMITED	£131,024.10	2%
THE SERENDIPITY CENTRE LTD	£128,171.91	2%
FAIRWAYS CARE (UK) LTD	£117,641.10	2%
BLUE SKY FOSTERING	£114,027.80	2%
CORE ASSETS GROUP	£108,029.13	2%
LIVABILITY	£105,404.00	2%
BRAMLEY CARE LTD T/A APPLE ORCHARD	£104,878.16	2%
E C ROBERTS CENTRE	£103,387.00	2%
Community and communication		
THE YOU TRUST	£143,331	42%
Culture, leisure and regulatory services		
GRISTWOOD & TOMS (TREE CONTRACTORS) LTD)	£142,221	12%
ISS FACILITY SERVICES LANDSCAPING	£140,507	12%
Finance and information services		
ENSIGN HIGHWAYS LTD	£6,647,058	83%
ZURICH INSURANCE PLC	£661,247	8%
CIVICA UK LTD	£107,059	1%
Housing, neighbourhood and building services		
COMSERV (UK) LIMITED	£4,653,101	33%
MOUNTJOY LIMITED	£4,302,070	31%
LIBERTY GAS GROUP LIMITED	£1,198,494	9%
BIFFA MUNICIPAL LTD	£741,442	5%
CANADA LIFE INVESTMENTS	£551,797	4%
CORRIGENDA LIMITED T/A CHURCHES	£465,515	3%
THE SALVATION ARMY	£334,013	2%
THE SOCIETY OF ST JAMES	£249,123	2%
E C ROBERTS CENTRE	£229,728	2%
TWO SAINTS LTD	£148,767	1%
SOLAR VOLTAICS LTD	£140,447	1%
HR, legal, audit and performance		
COMENSURA LTD	£953,791	96%
Portsmouth international port		
RAVESTAIN B V	£770,487	49%
CARLISLE SECURITY SERVICES LTD	£119,152	8%
SGS UNITED KINGDOM LTD	£111,075	7%
Public health		
SOLENT NHS TRUST	£1,536,932	59%
THE SOCIETY OF ST JAMES	£730,190	28%

SOUTHAMPTON CITY COUNCIL	£112,129	4%
Regeneration		
FIRST	£110,828	16%
Capital schemes		
BAM CONSTRUCTION LTD	£3,033,529	21%
KNIGHTS BROWN CONSTRUCTION LTD	£1,794,335	13%
FELTHAM CONSTRUCTION LIMITED	£1,766,846	12%
D M HABENS (THE BUILDER) LTD	£829,423	6%
DARWIN GROUP LIMITED	£697,698	5%
WESTCOAST LIMITED	£682,605	5%
ENSIGN HIGHWAYS LTD	£664,345	5%
CRAEMER UK LTD	£611,165	4%
MOUNTJOY LIMITED	£517,976	4%
BALFOUR BEATTY GROUP	£430,655	3%
HAVANT BOROUGH COUNCIL	£378,454	3%
CONCRETE REPAIRS LIMITED	£353,538	2%
NATURAL ENTERPRISE LTD	£250,000	2%
AXIS ELEVATORS LTD	£211,114	1%
CEI ELECTRICAL LTD	£182,584	1%
T COLEBORN AND SON LTD	£125,882	1%
M G EVENT SERVICES LTD	£124,488	1%
BERNHARDS SPORTS SURFACES LIMITED	£112,627	1%

Section 7: supplier performance

	Total number of contracts	KPI score (see legend below)				Expired KPI (more than 1 year since last scored)	KPI never scored	KPI not yet due	No KPI scheduled
		Gold	Green	Amber	Red				
Dec 2015	711	46	210	22	0	34	88	247	64
Jun 2016	728	53	211	24	1	24	96	258	61
Sep 2016	672	47	219	24	3	26	91	202	60
Dec 2016	699	50	202	24	2	49	110	190	72
Sept 2017	709	58	174	27	2	36	112	191	109
Dec 2017	737	60	168	30	4	37	117	209	112
Jun 2018	766	43	190	26	5	43	120	227	112
Sept 2018	821	43	230	25	5	39	129	231	119
Mar 2019	894	48	253	25	3	54	105	282	124

Section 7 notes

Key	
• <u>Gold:</u>	Outstanding performance
• <u>Green:</u>	Performing to standard
• <u>Amber:</u>	Some areas of improvement required
• <u>Red:</u>	Failing to perform
• <u>Expired KPI:</u>	a schedule is in place, and at least one KPI score has been recorded, but there has been no KPI scoring in the last 12 months
• <u>KPI never scored:</u>	a schedule is in place, but there have been no KPI scores for the contract
• <u>KPI not yet due:</u>	a schedule is in place, but KPI scores are not due yet. This includes contracts where KPIs are overdue by less than 3 months (grace period)
• <u>No KPI scheduled:</u>	no KPI instances have been scheduled.

KPIs are typically not scheduled for the following reasons: temporary accommodation; overarching framework agreements; not subject to procurement regulations; concessions; registration, subscription and membership fees; leases; locally commissioned services; grants; single supplier markets; and shared services.

Any contracts without KPI schedules for reasons other than those above will be investigated and addressed as necessary.

There are 3 contracts where the supplier is performing to an unsatisfactory level and remedial action is taking place (red KPI score), and 25 contracts which require improvement in performance (amber KPI score).

Reports from contract managers on those contracts with a red and amber KPI score are provided in **appendix 4** (exempt).

THIS ITEM IS FOR INFORMATION ONLY

Section 8: Supplier performance monitoring



Contracts which have **never had a KPI score**:

Directorate	KPIs never scored			
	Total number of contracts (Q3)	Number of contracts with no KPI score (Q3)	% of contracts with no KPI score (Q3)	Annual contract value of un-scored contracts (Q3)
Adult services	187	16	9%	£99,147,149
Children's services and education	88	11	13%	£26,369,296
Community and communication	29	8	28%	£1,051,835
Culture, leisure and regulatory services	97	19	20%	£23,246,440
Executive	3	0	0%	£119,918
Finance and information services	123	12	10%	£31,688,889
Housing, neighbourhood and building services	159	23	14%	£89,830,064
HR, legal, audit and performance	81	3	4%	£5,165,543
Portsmouth international port	52	0	0%	£3,088,660
Public health	15	0	0%	£9,378,624
Regeneration	60	13	22%	£20,201,274
TOTAL	894	105	12%	£309,287,692

Contracts which have not had a KPI score in 12 months:

Directorate	KPIs not scored for 12 months			
	Total number of contracts (Q3)	Number of contracts with no KPI score (Q3)	% of contracts with no KPI score (Q3)	Annual contract value of un-scored contracts (Q3)
Adult services	187	18	10%	£9,522,949
Children's services and education	88	0	0%	£0
Community and communication	29	3	10%	£41,405
Culture, leisure and regulatory services	97	3	3%	£144,626
Executive	3	0	0%	£0
Finance and information services	123	2	2%	£25,003,084
Housing, neighbourhood and building services	159	3	2%	£101,600
HR, legal, audit and performance	81	11	14%	£78,043
Portsmouth international port	52	1	2%	£12,000
Public health	15	4	27%	£4,997,173
Regeneration	60	9	15%	£526,882
TOTAL	894	54	6%	£40,427,762

.....
Signed by (Director)

Appendices:

Appendix 1: Non-conformance

Appendix 2: Waivers

Appendix 3: Payments under waiver

Appendix 4: Contract performance issues (exempt)

Appendix 5: Minutes from the strategic contract management board (10/12/18) (exempt)

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

Appendix 1 to be read in conjunction with section 1 of the report

Procurement management information

8 March 2019

Non conformance

Reports from managers on non-conforming spend for the month of July 2018 are provided below.

Reports on low level spend (less than £5,000) have not been requested by the procurement manager and so do not appear below.

1. Adult services

99% conformance

£44,157 non-conforming spend

1.1. Dennis Edwards for Foodservice - £10,691

The in-house residential care homes take advantage of spot purchasing to source food, including the use of promotional deals. This has enabled the catering manager, who works across the 5 in-house units, to broker discounts from other suppliers such as in this case Dennis Edwards. These discounts, plus shopping around across supermarkets and small independent shops has seen a cost saving of approximately £40,000 in the last year. Work is continuing via the catering manager to train kitchen cooks to work in a more business-like approach to the ordering of food.

Procurement manager's assessment of risk: Medium (ongoing spot purchasing needs to be assessed in context of aggregate spend, which may exceed EU threshold over time, and possibly within 4 years).

1.2. The Open University - £12,364

We currently use the Open University for our PCC Sponsored route to social work qualification for staff working in Adults' and Children and Families services. There is currently no other part time option available. There is a new Social Work Degree apprenticeship launching in September 2019 so we will begin to procure the social work qualification through our DPS and use the apprenticeship levy to pay for it. We will still need to use the OU for the next two years as the degree is a 3-year programme and we have people who will need to undertake years 2 and 3 as we won't be able to transfer those onto the apprenticeship.

Procurement manager's assessment of risk: Low

1.3. Allsop and Francis Ltd - £5,198

This was the purchase of three washing machines for Harry Sotnick House. When the previous supplier left and Hampshire County Council took over running the service a number of urgent purchases were required to ensure continuity of service to the residents of this care home of which this is an example. Contracts are being put in place to cover future need.

Procurement manager's assessment of risk: Low

1.4. Partnering Health Ltd - £5,267

Appendix 1 to be read in conjunction with section 1 of the report

Procurement management information

8 March 2019

This was the provision of medical and nursing services for Harry Sotnick House. When the previous supplier left and Hampshire County Council took over running the service a number of urgent purchases were required to ensure continuity of service to the residents of this care home of which this is an example. Contracts are being put in place to cover future need.

Procurement manager's assessment of risk: Low

2. Children's services and education

73% conformance

£524,041 non-conforming spend

2.1. V Care 24 Limited - £30,523

This was residential care for high risk young people with very challenging behaviours, who could not be placed in Portsmouth due to the risks to them and in some occasions criminal behaviour. V Care 24 Ltd provided individual placements within a residential provision in a rural location. All placements have ended and we will not be using this firm again Work will continue to develop the market to increase provision where possible.

Procurement manager's assessment of risk: Low

2.2. South Gloucestershire County Council - £24,900

This relates to a placement in a secure unit following the court granting a secure order. We have to apply through a central hub for secure accommodation and have to wait for our young person to be accepted by the unit and then a placement offered. An individual contract is then drawn up and signed by the director.

Procurement manager's assessment of risk: Low

2.3. Keyword Central Ltd t/a Street Support - £30,110

Individual contracts are in place for each young person, all of whom are unaccompanied minors. Street Support offers semi-independent housing accommodation in shared provision for 16+. Once reaching 16-17 most of our unaccompanied minors are moved from fostering placements to Street Support. There is limited similar type of accommodation within the Portsmouth area which is also more expensive.

Procurement manager's assessment of risk: Low

2.4. Fairways Care (UK) Ltd - £19,769

This relates to residential semi-independent provisions for post 16 and encourage young people to develop independence skills. As in all cases searches for vacancies were carried out with providers to see who had suitable placements and vacancies. Individual contracts were signed by a director. There is a Post 16 Semi Independent framework being developed and this provider has been asked to register their interest and tender for the framework so ensure future compliance.

Appendix 1 to be read in conjunction with section 1 of the report

Procurement management information

8 March 2019

Procurement manager's assessment of risk: Low

2.5. Residential education provision - £341,088

- **Cambian Group Ltd - £203,088**
- **Barford Children's Services Ltd - £17,936**
- **Priory Central Services Ltd - £66,029**
- **Keys Group Ltd - £54,036**

These are all contracts with specialist providers of residential and education provision. All involve special educational needs and disability (SEND) young people, and referrals are sent out to those specialist providers. Although there is a Children's Residential framework being sent up not all providers will join the framework and also there are parental wishes to take into account as they have a say over which provision they want their child to go to. We are looking into the possibility of joining West Sussex County Council dynamic purchasing system (DPS) for SEND provision, but some providers will not join frameworks.

Procurement manager's assessment of risk: Low

2.6. SEND High Needs/ Element 3 Top-Up Funding - £7,863

- **OLA Schools - £7,863**

This relates to Portsmouth SEND pupils who attend schools outside Portsmouth. Top-up funding is the funding required over and above the core or place funding an institution receives, to enable a pupil or student with high needs to participate in education and learning. This is paid by the local authority which places the pupil or student and should mainly reflect the additional support costs an institution incurs relating to the individual pupil or student's needs. Top-up funding can also reflect costs that relate to the facilities required to support a pupil's or student's education and training needs (either for individuals or on offer to all), and can take into account expected place occupancy levels and other factors. This funding is allocated by local authorities to institutions from their high needs budgets and is sometimes known as element 3 (E3). Top-up funding is paid from the high needs budget of the local authority in which the pupil or student is resident or to which they belong. If the cost of providing for a pupil with high needs is more than allocated through the core or place funding, the local authority will allocate the institution this additional top-up funding to enable a pupil or student with high needs to participate in education and learning.

The E3 funding is given to the LA by the DfE on an annual basis and this is then managed by the LA on behalf of the DfE. If a young person is assessed as having extra support needs that will cost more than £6,000, the Local Authority (LA) must provide 'top-up funding' to cover the rest of the cost. Top-up funding rates are for local authorities to agree with schools and academies and should reflect both the needs of the individual and the cost of meeting those needs, there is no cap to top-up funding per young person.

Appendix 1 to be read in conjunction with section 1 of the report

Procurement management information

8 March 2019

No matter what school these students go to, PCC are required to pay the top up funding over the first £6,000. Sometime these schools are outside of area. The reason that students attend schools outside of Portsmouth is in some cases due to parental preference, in other cases where the children are LAC (looked after child) and are attending the nearest school to their placement, and in some cases the PCC SEND team have placed the student out of the city due to their needs.

For out of area schools based in Hampshire and the IOW the council are in which the school is based requests payment rather than the schools directly. This is because Hampshire and IOW offer an SLA to schools to undertake this work and then make payment to the schools.

Procurement manager's assessment of risk: Low

2.7. Ministry of Justice Shared Services - £15,456

Children's Social Care at times need to place young people in secure residential placements following a Secure Order from the Court. There are a limited number of secure beds in the country and secure placements are made following an application to the central referral unit in Hampshire. Referrals are then submitted to providers who have vacancies at the time, therefore PCC have no control over what provider the placement is made.

There are two main pathways into a secure placement: the 'youth justice' or 'welfare' routes. Either a child is remanded or sentenced to detention through youth justice legislation; or a family court authorises a child to be detained under s25 of the Children Act 1989.

Procurement manager's assessment of risk: Low

2.8. The Open University - £8,784

We currently use the Open University for our PCC Sponsored route to social work qualification for staff working in Adults' and Children and Families services. There is currently no other part time option available and the OU route has been in place since 2000. The Open University have declined to join our DPS and there is nothing else available to us. There is however a new Social Work Degree apprenticeship launching in September 2019 so we will begin to procure the social work qualification through our DPS and use the Apprenticeship levy to pay for it. We will still need to use the OU for the next couple of years as the degree is a 3-year programme and we have people who will need to undertake years 2 and 3 as we won't be able to transfer those onto the apprenticeship.

Procurement manager's assessment of risk: Low

2.9. Family Futures CIC - £8,784

Adoption Services part funded therapy for a family provided by Family Futures. If further spend is anticipated an appropriate contract will be set up.

Procurement manager's assessment of risk: Low

Appendix 1 to be read in conjunction with section 1 of the report

Procurement management information

8 March 2019

2.10. Home School Tutoring - £6,752

When a Looked after child is not in education the Virtual School provide home tutoring so that the child does receive a certain amount of hours per week education. A waiver will need to be put in place.

Procurement manager's assessment of risk: Low

2.11. Jamma Umoja Integrated Services Ltd - £11,307

This was a placement where the council had offered a parent and child placement in house, which subsequently broke down and we took back to Court to ask for separation. However the Court ordered that we placed Mother and Baby at the named Assessment Centre. PCC had to sign up to their Terms & Conditions.

Procurement manager's assessment of risk: Low

3. Community and communication

100% conformance

4. Culture, leisure and regulatory services

96% conformance

£16,905 non-conforming spend

4.1. VIP System Ltd - £8,774

This is the "taxi plate supplier" for the 1300 or so licensed vehicle plates issued each year together with windscreen discs, plate brackets and other sundries. We are reviewing the processes associated with taxi plates currently and are likely to implement changes that may result in a spend reduction for the future.

5. Finance and information services

98% conformance

£4,667 non-conforming spend

6. Housing, neighbourhood and building services

99% conformance

£22,385 non-conforming spend

6.1. Alma Road Hostel - £12,492

Housing Options are experiencing higher than expected levels of demand and all the local crisis provision for Bed and Breakfast accommodation for individuals/families pending a homeless decision is at capacity. The Authority have a provision to supply accommodation until a decision has been made to allow a discharge of their duty to the individuals concerned. Alma Road Hostel is based in Southampton and is providing additional support to meet the capacity issues within the city.

Appendix 1 to be read in conjunction with section 1 of the report

Procurement management information

8 March 2019

7. HR, legal, audit and performance

100% conformance

8. Portsmouth international port

100% conformance

9. Public health

100% conformance

10. Regeneration

98% conformance

£7,063 non-conforming spend

11. Capital schemes

99% conformance

£30,681 non-conforming spend

Appendix 2

Details of waivers approved in Q3 2018/19

To be read in conjunction with section 2 of the report

Procurement management information

8 March 2019

Directorate	Title	Supplier	Contract value	Contract start date	Contract expiry date	Reference number	Reason for waiver	Waiver authoriser
Adult services	Nurse Call Systems and Servicing - Residential Homes	Courtney-Thorne Ltd	£75,000	01/11/18	31/10/26	C00004365	Direct award	Director
Adult services	Supply Of Bolero Sugar Free Hydration Drinks - HSH	Bolero Drinks Ltd	£4,000	01/04/18	31/03/19	C00004370	Insufficient time	Director
Adult services	Supply Of Furniture - HSH	Knightsbridge Furniture Productions Ltd	£43,000	01/10/18	31/12/18	C00004371	Insufficient time	Director
Adult services	Medical Supplies - HSH	Blueleaf Ltd incorporating Oiicare	£80,000	01/04/18	31/03/19	C00004372	Insufficient time	Director
Adult services	Confidential Waste Removal - HSH	Shred It	£8,000	01/04/18	31/03/19	C00004373	Insufficient time	Director
Adult services	Clinical Waste Removal from Nursing Home - HSH	SRCL	£18,000	01/04/18	31/03/19	C00004393	Insufficient time	Director
Adult services	Respite bed Accommodation - Crossbind Limited	Crossbind Limited	£60,000	01/09/17	28/02/19	C00004412	Direct award	Director
Children's services and education	Primary Engineer 2018-19	Primary Engineer	£6,500	01/09/18	31/08/19	C00004308	Shared service	Director
Children's services and education	Small Architecture 2018-19	Small Architecture	£16,200	01/10/18	30/09/19	C00004309	Direct award	Director
Children's services and education	KS1 and KS2 Assessment and Moderation - Northern Parade School	Northern Parade Federated Primary School	£18,000	01/09/18	31/08/19	C00004400	Direct award	Director
Children's services and education	Teach Portsmouth Website Rebuild	Nick Vine	£13,100	10/12/18	10/12/19	C00004419	Insufficient time	Director
Children's services and education	Educational Psychology Services	Bridges for Learning Ltd	£24,000	01/01/19	31/12/19	C00004420	Direct award	Director
Children's services and education	Children/Young People & Families Website - Local Offer Initiative 2018-2022	Chapman Web Design Ltd	£12,000	01/09/18	31/08/22	C00004325	Direct award	Director
Community and communication	Revenues and Benefits remote processing framework 2018 - 2020	Northgate Public Services (UK) Limited	£71,000	13/04/18	12/04/20	C00004302	Direct award	Director
Culture, leisure and regulatory services	Leisure Facilities Strategy - further work to progress recommendation	STRATEGIC LEISURE LIMITED	£15,000	01/10/18	31/12/18	C00004323	Direct award	Director
Culture, leisure and regulatory services	Destination Film 2018	Sharp Film	£7,000	01/10/18	31/05/19	C00004348	Direct award	Director
Culture, leisure and regulatory services	City Centre Development Strategy	Jones Lang LaSalle	£89,312	03/09/18	30/06/19	C00004380	Not obtaining 3 bids	Director
Culture, leisure and regulatory services	Installation of Public Resue Equipment (PRE)	Barhill Plant Ltd	£6,302	05/12/18	28/02/19	C00004405	Direct award	Director
Finance and information services	Temporary Staff - IT	InterQuest Group UK Ltd t/a SBS UK	£26,000	22/10/18	30/11/18	C00004385	Direct award	Director
Finance and information services	NPS NHRB including Oracle ASFU	Northgate Public Services (UK) Limited	£8,265	01/12/18	30/11/19	C00004394	Direct award	Director
Finance and information services	Gartner Executive Programme	Gartner	£52,800	01/01/19	30/06/20	C00004411	Direct award	Director
Finance and information services	Desktop Privilege Management 2019-22	Avecto Limited	£10,132	11/01/19	10/01/22	C00004423	Direct award	Director
HR legal audit and performance	Government Payment Card Solutions & Associated Services 2018-2020	Barclaycard Commercial	£0	31/08/18	31/07/20	C00004340	Direct award	Director
HR legal audit and performance	Risk and Decision Making in Social Work	Bournemouth University	£60,000	14/01/19	13/01/22	C00004403	Direct award	Director
Portsmouth international port	Replacement of Salt Water Filters - Port	Miller Leaman	£9,600	01/09/18	01/03/19	C00004287	Direct award	Director
Portsmouth international port	Maintenance of Terminal Doors - Port 2018 - 2021	GEZE UK Ltd	£33,325	01/11/18	31/10/21	C00004342	Direct award	Director
Portsmouth international port	Replacement of Core, SAN and Edge Switches - Port	PAV i.t. services ltd	£136,400	01/11/18	31/10/25	C00004345	Direct award	Procurement manager
Portsmouth international port	Cloud Email Archiving Service	Cristie Data Ltd	£12,320	01/11/18	31/10/23	C00004368	Direct award	Director
Portsmouth international port	Replacement of Portmaster Freight Software System	Hogia Logistics Systems AB	£99,600	01/12/18	28/02/23	C00004390	Direct award	Director
Portsmouth international port	High Voltage Maintenance 2019	SSE Contracting Ltd	£8,311	01/01/19	31/12/19	C00004421	Direct award	Director
Portsmouth international port	Fratton Goods Yard Rail Feasibility Project	Kirkdale Partners Limited	£8,250	12/11/18	12/02/19	C00004422	Direct award	Director
Housing, neighbourhood and building services	Supply of PCC Suited Locks	Croma Security Solutions Group Plc	£7,805	07/06/18	07/11/18	C00004298	Direct award	Director
Housing, neighbourhood and building services	MVHR Cut Off - Wilmcote House	Christie Intruder Alarms Ltd	£91,066	10/12/18	01/04/20	C00004398	Direct award	Director
Housing, neighbourhood and building services	Energy Performance Certificates for West Sussex County Council	Bierce Technical Services Ltd	£8,800	03/12/18	31/03/19	C00004401	Direct award	Director
Regeneration	E-Receptionist tablets and maintenance	MediaBase Direct Limited	£13,188	10/12/18	09/12/23	C00004402	Direct award	Director
Regeneration	Inspection and Replacement of Lifebuoys in Portsmouth 2018/19	Colas Limited	£5,530	05/11/18	04/11/19	C00004351	Direct award	Director

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Appendix 3

Procurement management information
8 March 2019

To be read in conjunction with section 3 of the report

Q3 spend with HIGH VALUE (>£100,000) contracts with waiver

Adult services

C00004050	Provision of Care - Harry Sotnick House	Hampshire County Council	£1,187,184
C00003953	Supported Living at Temple Court	COMMUNITY INTEGRATED CARE	£122,653
C00003775	Discharge Home to Assess (H2A)	Agincare Group Ltd	£92,911
C00003337	Temporary Staff - Adult Social Care	Staff 2000 Limited	£67,700
C00004024	Continuing Care Packages	Solent NHS Trust (formerly Solent Healthcare)	£28,380
C00002013	Contract for Public Health Services	Solent NHS Trust (formerly Solent Healthcare)	£11,250
C00004208	Wastewater Services - Business Stream	Scottish Water Business Stream Ltd	£5,076

Children's services and education

C00003490	School Improvement (Raising Standards/addressing schools causing concern)	Solent Academies Trust	£83,326
C00002013	Contract for Public Health Services	Solent NHS Trust (formerly Solent Healthcare)	£58,146
C00003498	Disclosure and Barring Service Checks	Disclosure & Barring Service	£18,467
C00003580	Financial Modelling For South Central Adoption	GJS FINANCIAL SERVICES LIMITED	£10,543
C00003600	Adoption Support Fund Provision	Multiple Suppliers	£10,200
C00003906	Microsoft Enterprise Agreement 2017	Civica UK Ltd	£7,822

Culture, leisure and regulatory services

C00003173	Mortuary Costs Portsmouth - Coroner's Office	Portsmouth Hospitals NHS Trust	£75,498
C00003251	Pathologist Fees - Coroner's Office	Multiple Suppliers	£67,566
C00003372	Retail Purchasing 2016 - 2019 - Culture	Multiple Suppliers	£20,184
C00003083	Portsmouth DMP Promotion on London Underground	Exterior Media (UK) Ltd	£9,977
C00003498	Disclosure and Barring Service Checks	Disclosure & Barring Service	£3,740
C00001351	Mechanical Planned Servicing & Reactive Repairs	Churches	£1,428

Finance and information services

C00003089	Provision of Desktop Hardware	XMA Limited	£79,213
C00003132	External Audit Services	Ernst & Young LLP	£28,767
C00003906	Microsoft Enterprise Agreement 2017	Civica UK Ltd	£15,881
C00002284	Website Hosting 2014	Timico Ltd	£8,911

Housing, neighbourhood and building services

C00001718	Core Homeless Services -	The Salvation Army	£161,028
C00003339	Domiciliary Care Services through Guaranteed Hours	Sevacare (UK) Ltd	£18,899

Portsmouth international port

C00003245	Linkspan purchase for Berth 3 - Portsmouth International Port	Milesfield Commercial Funding Limited	£3,360,000
C00004345	Replacement of Core, SAN and Edge Switches - Port	PAV i.t. services Ltd	£77,958
C00004118	MMD Redevelopment - Ground Investigation works - 2018	Structural Soils Limited	£15,464
C00002611	Software Licence and Support for Scala	Epicor Software UK Ltd	£12,178
C00003906	Microsoft Enterprise Agreement 2017	Civica UK Ltd	£10,683

Public health

C00003045	Provision of 0-5 services (Health Visitors)	Solent NHS Trust (formerly Solent Healthcare)	£925,494
C00003685	School Nursing - early help and prevention services	Solent NHS Trust (formerly Solent Healthcare)	£107,307
C00003826	Out of Area Sexual Health Services	Multiple Suppliers	£7,937

Regeneration

C00003218	Development Management Services - Temporary Consultancy	Island Highway & Transport Consultants Limited	£4,160
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Capital schemes

C00003089	Provision of Desktop Hardware	XMA Limited	£682,605
C00004124	External Fabric Repairs 2018 - Guildhall	Concrete Repairs Ltd (CRL)	£265,415
C00004250	Block Security - Learnington & Horatia House	MG Events Services LTD	£124,488
C00004205	GIS Mapping - Buchanan Computing	Buchanan Computing	£21,662
C00001351	Mechanical Planned Servicing & Reactive Repairs	Churches	£18,994
C00004018	Mountbatten Centre Refurbishment	Mountjoy Ltd	£3,083
C00003872	Transforming the D-Day Museum - Design and Build / Exhibition Fit Out	Studio MB Limited	£2,057

Appendix 3

To be read in conjunction with section 3 of the report

Procurement management information
8 March 2019

Q3 spend with MEDIUM VALUE (£5,000 to £100,000) contracts with waiver

Adult services		
C00003868	Six Steps End of Life Care	The Rowans Hospice £13,050
C00004372	Medical Supplies - HSH	Blueleaf Ltd incorporating Oliocare £11,850
C00003640	Adult Mental Health Advocacy Support Services	HAVANT AND EAST HANTS MIND £10,350
C00003639	Brain Injury Information and Support Service	Headway Portsmouth and South East Hampshire £2,000
C00004393	Clinical Waste Removal from Nursing Home - HSH	SRCL £1,896
C00003995	Step Change Project	Lily and lime LD CIC £1,102
C00004373	Confidential Waste Removal - HSH	Shred It £728
Children's services and education		
C00004147	Up2U Staffing Costs	Southern Domestic Abuse Service £115,429
C00004308	Primary Engineer 2018-19	Primary Engineer £6,500
C00004001	Tri-work Experience - Lily & Lime	Lily and lime LD CIC £6,300
C00002930	Room Hire PSCB Training	PAFG £1,966
C00002949	Tuition 1:1 /Small Group Tuition Services	Home School Tutoring UK (Hampshire West/Central) £1,088
C00004453	Secure Schools Environment (SSE)	Taylor Made Computer Solutions Limited £833
C00003599	Provision of SACRE Services	Hampshire Inspection and Advisory Services £0
Community and communication		
C00003249	Panacea Software 2016 - 2017	Panacea Applications Limited £23,101
C00004275	Dirctory of Services	Evolve CIC £13,875
C00004302	Revenues and Benefits remote processing framework 2018 - 2020	Northgate Public Services (UK) Limited £11,422
C00003933	Legal debt recovery services: Insolvency Proceedings and Charging Order enforcement Wilkin Chapman LLP	£343
Culture, leisure and regulatory services		
C00004094	Bandstand Programme 2018	A Stones Throw Event Co Ltd £14,846
C00003694	Car Parking for Great South Run 2017 - 2020	SEP Ltd £9,186
C00003150	Mortuary Costs Southampton - Coroner's Office	Southampton University Hospital £8,734
C00004022	Audio Guides - D-Day Museum	ATS Heritage £7,384
C00004157	Mechanic - grounds maintenance machinery	Brightstone Landscaping Ltd £6,208
C00003175	Staffing Support Grant - Fratton Community Centre	Fratton Community Association £5,500
C00003984	Mandela 100	African Women's Forum £4,000
C00004150	Young Peoples Engagement - The D-Day Story	Unloc £4,000
C00004323	Leisure Facilities Strategy - further work to progress recommendation	STRATEGIC LEISURE LIMITED £4,000
C00003149	Asbestos Analysis - Coroner's Office	Occupational and Environmental Analytical Diagnostic Services Ltd £3,600
C00003236	Transportation of Bodies - Portsmouth & South East (Petersfield)	Dignity Funerals T/A Carrells Funeral Service £2,696
C00003238	Transportation of Bodies - Portsmouth & South East (Portsmouth)	Barrells Funeral Directors £1,920
C00003344	Regulatory Service IDOX Uniform	IDOX Software Ltd £142
C00003451	Lift Emergency Phone Lines	Six Degrees Group £112
Finance and information services		
C00003805	Browser Based GIS and ADS Web Mapping Service	Astun Technology Ltd £12,525
C00003986	Server Rental for Northgate	Hamilton Asset Management £6,505
C00004259	Application Packaging	Algiz technology Limited £3,850
C00003128	CIPFA - Training and Exams	CIPFA Business Ltd. £3,658
C00003441	Contract 5250810 - 12 months Premier	Oracle Corporation UK Itd £216
C00003899	Secure Offsite Media Storage 2018	ServerHouse Ltd £121
Housing, neighbourhood and building services		
C00003451	Lift Emergency Phone Lines	Six Degrees Group £5,773
C00004121	Financial Management Support	Salvis Energy Services Ltd £5,500
C00003344	Regulatory Service IDOX Uniform	IDOX Software Ltd £236
HR legal, audit and performance		
C00004218	The provision of Veteran Drop-In Services in Southampton	Southampton Veterans Drop in Centre £7,188
C00003046	Employee Assistance Programme RM932	Right Corecare Limited t/a Workplace Wellness £4,419
Portsmouth international port		
C00004268	Replacement of Jones Port Crane - Portsmouth International Port	L Jackson & Co Ltd £32,850
C00004186	Purchase Of Safety Fencing For MMD Demolition	Safesite Ltd £24,432
C00004195	Annual Dive Condition Survey - Summer 2018	RS Divers LTD £17,500
C00004237	Economic Impact Study - Portsmouth International Port	Oxford Economics Ltd £13,750
C00003923	Albert Johnson and Flathouse Quays Maintenance and Repairs	ML UK LTD £12,400
C00004368	Cloud Email Archiving Service	Cristie Data Ltd £12,320
C00004287	Replacement of Salt Water Filters - Port	Miller Leaman £7,842
C00004032	Terminal Building Departures Signage	Eclipse Digital Media Limited £7,070
C00003924	Provision of Stanby Berthing Services	Southern Maritime Services Limited £6,362
C00004256	Multimodal Event 2019	Clarion Events Ltd £6,019
C00003888	VHF Radio System Support and Enhanced Circuit Rental for Portsmouth International	Capcom Land, Sea & Air Communications Ltd £5,934
C00004189	British Standards Certification Services - Portsmouth International Port	BSI Assurance UK Limited £5,758
C00004159	Pilot Simulation - June 2018/19	Seaways Europe Ltd £5,323
Public health		
C00003810	Good Neighbour Network	Portsmouth Diocesan Council for Social Responsibility £11,000
C00002617	Breastfeeding Peer Support Services	Breastfeeding Network £6,625
Regeneration		
C00004008	Temporary Staff Member - Senior Project Manager Tipner	Oyster Partnership £34,300
C00003203	Replacement handheld equipment and associated items	Spur Information Solutions Ltd £33,151
C00003212	Parking Meter Central Processing Unit Repairs 2016-2019	Cale BriParc Ltd £32,608
C00004039	Air Quality Targeted Feasibility Study Parts 1 - 5	Aecom Infrastructure & Environment UK Ltd £13,762
C00004105	Southsea Castle Revetment Repairs	Earlcoate Construction Limited £9,304
C00004099	Personal Journey Planning - Part of Air Quality Grant Fund	Steer £8,400
C00004093	Technical Service Level Agreement	Hampshire County Council £8,000
C00003115	Northgate Payments Arrangements Module and Maintenance.	Northgate Public Services (UK) Limited £4,392
C00004026	Football Capture / Analysis	SPRINGBOARD RESEARCH LTD £4,140
C00004161	Research for new Portsmouth Economic Development Strategy	Oxford Economics Ltd £3,000
C00003075	Adult Functional Skills Qualifications - The Learning Place	Northern Council for Further Education (NCFE) £1,459
C00003461	Provision of Analyse Local Services	Inform CPI £1,024
C00004432	Professional Coaching - Strategic Developments	Aspire Development Management Limited £302
C00003344	Regulatory Service IDOX Uniform	IDOX Software Ltd £252
C00003451	Lift Emergency Phone Lines	Six Degrees Group £172
Capital schemes		
C00004260	Recycling Bin Order - SSI Schaefer	SSI Schaefer Ltd £42,768
C00004191	Temporary Staff - IT (Keystream)	Keystream Healthcare Resources Limited £40,900
C00004234	Analogue Cameras with Hybrid Technology - Replacement	360 Vision Technology Limited £37,250
C00004209	Distribution of Waste Containers	JETT TRADE LIMITED £30,940
C00004261	Recycling Bin Order - A&C Weber	A & C WEBER UK LTD £13,310
C00004301	Public Rescue Equipment	Crewsafe Marine Ltd £8,475
C00004275	Dirctory of Services	Evolve CIC £5,000
C00003085	Cost Consultancy - Dunsbury Hill Farm	Mace Limited £2,500
C00003428	DNO - Various PV Projects	Scottish and Southern Energy £300
C00004269	North Portsea Island - Technical Review	Glennerster Consulting Ltd £200
C00003451	Lift Emergency Phone Lines	Six Degrees Group £67