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# NOTICE OF MEETING

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## CABINET

**TUESDAY, 2 FEBRUARY 2021 AT 12PM**

## VIRTUAL REMOTE MEETING

Telephone enquiries to Democratic Services 023 9283 4060

Email: [democratic@portsmouthcc.gov.uk](mailto:democratic@portsmouthcc.gov.uk)

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

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## Membership

Councillor Gerald Vernon-Jackson CBE (Chair)

Councillor Steve Pitt (Vice-Chair)

Councillor Chris Attwell

Councillor Dave Ashmore

Councillor Suzy Horton

Councillor Lee Hunt

Councillor Darren Sanders

Councillor Lynne Stagg

Councillor Matthew Winnington

Councillor Hugh Mason

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(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](http://www.portsmouth.gov.uk)

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

## AGENDA

1        **Declarations of Interests**

2        **Apologies for Absence**

3        **Record of Previous Decision Meetings - 1 December 2020, 17 December 2020 and 5 January 2021 (Pages 9 - 20)**

**RECOMMENDED that the records of the previous decisions taken at Cabinet on 1 December 2020, 17 December 2020 and 5 January 2021 be agreed as a correct record.**

**4 Extension of Food Waste Collections. (Pages 21 - 44)**

Purpose.

To update the Cabinet on the progress and propose further extensions to the separate food waste collection trials.

**RECOMMENDED that the Cabinet:**

- i) **Note the progress and outcomes of the existing two food waste collection round trials and agree to continue these for a further 12 months from September 2021.**
- ii) **Approve an extension of a further two rounds for a 12 month period from September 2021 at a cost of £300,000 and that this be funded from the Cabinet Reserve but subject to the following:**
  - a. **Full Council approval on 9<sup>th</sup> February 2021 of the mainstreaming of the current 2 Food Waste Recycling rounds into base budgets at a cost of £300,000 (including the associated necessary savings to fund it).**
  - b. **Full Council approval on 9<sup>th</sup> February 2021 of the Capital Scheme to fund the associated Capital Costs of £340,000 which includes 2 additional waste vehicles, additional bins and receptacles plus project costs.**

**5 Portsmouth Lottery (Pages 45 - 58)**

Purpose.

It is proposed that the lottery be transferred to HIVE Portsmouth to operate as a community lottery.

**RECOMMENDED that the Cabinet approve the transfer of the Portsmouth Lottery to HIVE Portsmouth as the community strategic partner.**

**6 Portsmouth City Council - Budget & Council Tax 2021/22 & Medium Term Budget Forecast 2022/23 to 2024/25 (Pages 59 - 168)**

Purpose

1. The primary purpose of this report is to set the Council's overall Budget for the forthcoming year 2021/22 and the associated level of Council Tax necessary to fund that Budget.
2. The report makes recommendations on the level of Council spending for 2021/22 and the level of Council Tax in the context of the Council's Medium Term Financial Strategy with its stated aim as follows:

**Overall Aim**

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

3. The recommended Budget for 2021/22 has been prepared on the basis of

the following:

- The Council resolution of 11 February 2020 that set an overall savings requirement of £1.0m
  - An increase in the level of Council Tax for 2021/22 for general purposes of 1.99%
  - The flexibility to increase the level of Council Tax for an "Adult Social Care Precept", within the limits set by Central Government at 3.0%, and the direct passporting of that additional funding to Adult Social Care to provide for otherwise unfunded cost pressures.
4. This report also provides a comprehensive revision of the Council's rolling 3 year future financial forecast for the new period 2022/23 to 2024/25 (i.e. compared to the previous forecast covering 2021/22 to 2023/24, this forecast now replaces the forecast for the previous 3 year period).
5. The new forecast considers the future outlook for both spending and funding, and in that context, wider recommendations are made regarding the levels of reserves to be maintained and additional contributions to the Capital Programme in order to meet the Council's aspirations for the City as well as maintaining the Council's overall financial resilience throughout this uncertain period.
6. In particular, this report sets out the following:
- (a) The challenging and uncertain financial climate facing the City Council in 2021/22 and beyond, and the consequential budget deficits that result
  - (b) A brief summary of the Medium Term Financial Strategy for achieving the necessary savings
  - (c) The revised Revenue Budget and Cash Limits for the current year
  - (d) The Local Government Finance Settlement for 2021/22
  - (e) The Business Rate income for 2021/22 and future years
  - (f) The Council Tax base and recommended Council Tax for 2021/22
  - (g) The forecast Collection Fund balance as at 31 March 2021 for both Council Tax and Business Rates
  - (h) The detailed indicative savings (Appendix C) that could be made by each Portfolio / Committee in meeting its overall savings amount in order to provide the Council with the assurance necessary to approve the recommended savings amount for each Portfolio / Committee
  - (i) The proposed Revenue Budget and Cash Limits for 2021/22
  - (j) The forecast Revenue Budgets and revised Savings Requirements for 2022/23, 2023/24 and 2024/25
  - (k) Estimated General Reserves over the period 2020/21 to 2024/25
  - (l) The Medium Term Resource Strategy (MTRS) Reserve, its financial position and proposed use to achieve cashable efficiencies
  - (m) The proposed Capital Programme and "new starts" (including the Housing Investment Capital Programme) for 2020/21 and future years in accordance with the Capital Strategy
  - (n) The statement of the S. 151 Officer on the robustness of the budget in compliance with the requirements of the Local Government Act 2003.

**The detailed recommendations are set out in section 3 of the report.**

*Note: This report that was marked to follow was published on 27 January 2021.*

- 7 This agenda item is no longer required as this report has been combined with the report in agenda item 6.**

**8 New Theatre Royal (Pages 169 - 186)**

Purpose

To update the Cabinet on the current position of the New Theatre Royal Portsmouth and to outline the case for purchase of the theatre in order to retain the building for public use.

**RECOMMENDED that the Cabinet authorise officers to complete the negotiations for the sale of the freehold of the New Theatre Royal to Portsmouth City Council in order to retain the building for public use.**

**9 EU Exit - Provision of Border Control Points at Portsmouth International Port (Pages 187 - 194)**

Purpose.

To update the Cabinet on the Portsmouth International Port's infrastructure challenges and funding shortfall for handling European Union trade.

**RECOMMENDED that the Cabinet note the report.**

**10 Shareholder Committee - appointment of members (Pages 195 - 198)**

Purpose.

This report seeks appointment of members to the Shareholder Committee in order for the committee to be incorporated and members to work the City Solicitor in taking forward the below noted recommendations.

**RECOMMENDED that the Cabinet:**

**i. Appoint members of the Shareholder Committee in accordance with the terms of appointment as per the Cabinet Report of 26 March 2020 (as detailed below);**

**ii. Appoint members of the Shareholder Committee to work with the City solicitor to finalise terms of reference and incorporate the Local Government Lawyer best practice guidance (at appendix A) to ensure the necessary constitution changes take place.**

*Note: This report that was marked to follow was published on 27 January 2021.*

**11 Forward Plan Omission.**

The decision relating to the report entitled Cosham Business Sites is a Key Decision for the purposes of the Forward Plan as defined in Article 13 of the Constitution but was not included in the Forward Plan for the period from 4

January 2021 until 23 February 2021 and is therefore an omission from the Forward Plan and also an omission of explanation of exempt information contained in the exempt appendix.

Article 13 defines a Key decision as an Executive decision which is likely to:

- Result in the council incurring expenditure or the making of savings which are significant having regard to the local authority's budget for the service or function to which the decision relates, or
- Be significant in terms of its effects on communities living or working in an area comprising 2 or more wards in the city's administrative area.

The Chair of the City Council's Scrutiny Management Panel has been notified of this decision being made, in accordance with the City Council's Constitution (General Exceptions, Section 15). As the decision must be taken by such a date that it is impracticable to defer the decision until it has been included in the next Forward Plan, this decision will not be subject to call-in.

**RECOMMENDED that:**

- 1. The omission to the Forward Plan for 4 January to 23 February 2021 be noted.**
- 2. Publication of the omission notice be noted.**

## **12 Exclusion of Press and Public.**

**In view of the contents of the appendices to the following item on the agenda the Cabinet 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 report(s) contain information defined as exempt in Part 1 of Schedule 12A to the Local Government Act, 1972”.**

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

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

**(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 dispose of the exempt documentation as confidential waste.**

<b>Item</b>	<b>Paragraph</b>
<b>Cosham Development Sites</b>	<b>3</b>

**(Exempt appendices B, D and F)**

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

**13 Cosham Development Sites. (Pages 199 - 210)**

Purpose.

This report sets out the opportunity to assemble and redevelop land west of Cosham District Centre High Street through a series of property transactions with its public sector partners.

Land assembled through the proposed transactions, together with the council's existing property interests, will create the opportunity to masterplan the Western Central corridor of the Cosham District in partnership with community service providers to create significant high quality development and growth that supports the centre's vitality and viability.

The report seeks authority for disposal and acquisition of sites to facilitate the future redevelopment of the Cosham District.

**RECOMMENDED that the Cabinet:**

**Approves and authorises that:**

- 1. Subject to the approval and successful negotiation of recommendations 2.2 and 2.3 the Freehold of the land known as Portsmouth Craft and Manufacturing Industries (PCMI), 85 Northern Road, Cosham, Portsmouth PO6 3EP as shown edged red on the plan at Appendix A and forming part of title PM24912 be sold freehold to the acquiring party (for the consideration outlined confidentially in Appendix B).**
- 2. The Freehold of the land known as Cosham Fire Station, Wayte Street, Cosham, Portsmouth PO6 3BS as shown edged red on the plan at Appendix C and forming part of title PM35957 and PM37047 be acquired by Portsmouth City Council (for the consideration set out confidentially in Appendix D).**
- 3. The freehold of land known as Cosham Police Station, Wayte Street, Cosham, Portsmouth PO6 3BS as shown edged red on the plan at Appendix E and forming part of title PM13256 be acquired by Portsmouth City Council (for the consideration set out in confidential Appendix F.)**
- 4. The Director of Regeneration and City Solicitor be authorised to finalise negotiations, prepare and complete the necessary documentation in line with the intent of the Heads of Terms, to appoint a third party solicitor and to complete all necessary documentation in order to undertake 1, 2 & 3 above.**

**And that the Cabinet recommends to City Council that:**

- 5. Authority is delegated to the Director of Finance and Section 151 Officer in consultation with the Leader of the Council to allocate all proceeds of the sale of PCMI, (85 Northern Road) to be used to acquire Cosham Fire Station and Cosham Police Station and that any surplus proceeds remaining are used to bring forward the development opportunity.**

This report that was originally marked to follow was published on 26 January.

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# Agenda Item 3

## CABINET

RECORD OF DECISIONS of the meeting of the Cabinet held remotely on Tuesday 1 December at 12pm

### **Present**

Councillors                      Gerald Vernon-Jackson    CBE    (in    the    Chair)  
Dave Ashmore  
Chris Attwell  
Suzy Horton  
Lee Hunt  
Hugh Mason (arrived at 12:25pm)  
Steve Pitt  
Darren Sanders  
Lynne Stagg  
Matthew Winnington

Also present during the virtual meeting was Councillor Udy.

### **73. Apologies for Absence (AI 1)**

There were no apologies for absence.

### **74. Declarations of Interests (AI 2)**

No interests were declared.

### **75. Record of Previous Decision Meeting - 3 November 2020 (AI 3)**

**The record of decisions of the previous Cabinet meeting held on 3 November 2020 were approved as a correct record.**

### **76. Approval of the council's test and trace support payment discretionary scheme (AI 4)**

Natasha Edmunds, Director of Corporate Services introduced the report.

**The Cabinet noted the report.**

### **77. Portsmouth International Port: Carbon Reduction Strategy (AI 5)**

Mike Sellers, Port Director introduced the report.

During the discussion that followed, the following points were raised:

- An application for the installation of wind turbines had been submitted.
- The council is proud of the port's aspiration to become the first carbon neutral port in the country.
- The Climate Action Board had produced some great actions.
- The team was thanked.

**DECISION: The Cabinet accepted the proposed Carbon Reduction/Port Air Quality Strategy.**

### **78. Portsmouth Mental Health Alliance (AI 6)**

Gordon Muvuti, Director of Partnerships, Solent NHS Trust introduced the report.

Members placed on record their thanks to everyone involved who are making a real difference to people's lives and noted that:

- Covid 19 was the catalyst, but these issues were already being addressed a long time before the pandemic.
- Looking after one's own mental health is equally important as supporting others. Everyone should be encouraged to look out for sessions and promote training events.
- It is the council's responsibility to ensure that the services offered are flexible and adapt to people's needs.

**The Cabinet noted the report.**

**79. Treasury Management Mid-Year Review (AI 7)**

Chris Ward, Director of Finance & Resources introduced the report.

**DECISIONS**

**The Cabinet noted that:**

- **The Council's Treasury Management activities have remained within the Treasury Management Policy 2020/21 in the period up to 30th September 2020.**
- **That the actual Treasury Management indicators as at 30th September 2020 set out in Appendix A be noted.**

**80. An Update on Supporting Rough Sleepers and Hidden Homeless (AI 8)**

Paul Fielding, Assistant Director for Housing, Housing, Neighbourhood & Building Services.

Members made the following comments during their discussion:

- The officers involved were thanked for their hard work.
- Many people's lives are being improved.
- The third building will ensure that the council can provide more safe and secure accommodation and wrap around support in the future.
- The council was awarded additional funding last week for 2021-22 by the Chancellor of the Exchequer.
- Work was already underway to support homeless people and sofa surfers but the pandemic has put this into sharp focus now.
- Mental health and wellbeing support is also essential.

**The Cabinet noted the report.**

**81. Land Contamination Strategy (AI 10)**

Jeff Downing, Contaminated Land Team Leader introduced the report.

Members thanked the officers for their work.

**DECISIONS:**

**The Cabinet**

- a. Agreed to adopt the 2020 Contaminated Land Part 2a Strategy.**

b. **Delegated authority to the Director of Regeneration, in consultation with the Leader of the council to make decisions on the determination of statutory contaminated land and upon decisions of both cost recovery and hardship in accordance with the details contained in the strategy referred to in (a) above.**

- 82. Revenue Budget Monitoring 2020/21 (2<sup>nd</sup> Quarter) to End September 2020.**  
Chris Ward, Director of Finance & Resources introduced the report.

During the discussion that followed, members noted that the council has had to use some of its own resources in order to balance the budget and thanked officers for their work to support residents.

#### **DECISION**

**The detailed recommendations as set out in the report were forwarded to Council for approval.**

- 83. Clean Air Zone - Exemptions, Sunset Periods and Hours of Operation.**  
Hayley Trower, Air Quality Lead for Transport introduced the report.

It is important to talk to the Portsmouth Disability Forum to understand the potential impact that these proposals would have on disabled people before making a decision.

#### **DECISIONS:**

##### **The Cabinet**

- 1. Authorised Councillor Dave Ashmore, Cabinet Member for Environment & Climate Change, Councillor Lynne Stagg, Cabinet Member for Traffic & Transportation and the Leader of the City Council to consider implementing a sunset period for non-compliant wheelchair accessible vehicle Hackney carriages and private hire vehicles once they had been able to meet with the Portsmouth Disability Forum.**
- 2. Approved a sunset period of two years for non-compliant vehicles providing community transport and school transport. The owner/operator of this vehicle will be required to apply for the sunset period, and provide proof of providing these types of services, such as a contract.**
- 3. Approved an exemption for the lifetime of the Clean Air Zone for emergency service vehicles. The owner/operator of this vehicle will be required to apply for the exemption.**
- 4. Approved an exemption for the lifetime of the Clean Air Zone for specialist heavy vehicles, on a case-by-case basis. Operators/owners will need to apply for this exemption. Operators/owners will need to provide proof that their vehicle is unsuitable for retrofitting or details regarding their circumstances for purchasing a replacement vehicle.**

5. **Approved an exemption for ten days of the calendar year for non-commercial vintage buses for the lifetime of the Clean Air Zone. These vehicles would be required to apply for the exemption**
6. **Confirmed that the hours of operation will remain at 24 hours a day.**
7. **Delegated Authority to the Cabinet Members for Environment & Climate Change and Traffic & Transport, in conjunction with the Section 151 Officer, to approve submission of the Local Air Quality Full Business Case to central government.**

The meeting concluded at 1:15pm.

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Councillor Gerald Vernon-Jackson CBE  
Leader of the Council

## CABINET

RECORD OF DECISIONS of the meeting of the Cabinet held remotely on Thursday 17 December 2020 at 2pm

### **Present**

Councillors                      Gerald Vernon-Jackson CBE (in the Chair)  
    Dave Ashmore  
    Chris Attwell  
    Suzy Horton  
    Hugh Mason  
    Steve Pitt  
    Matthew Winnington

### **83. Apologies for Absence (AI 1)**

Apologies for absence were received from Councillor Darren Sanders.

### **84. Declarations of Interests (AI 2)**

No interests were declared.

### **85. Victory Energy Supply Limited (VESL) (AI 3)**

Chris Ward, Director of Finance & Resources, introduced the report and advised that he was attending the meeting in his capacity as Director of VESL.

Councillor Vernon-Jackson noted the meeting was an opportunity to view the letters exchanged between VESL and shareholders and to complete the final stage in winding up VESL. He thanked all involved in bringing the matter to a conclusion without incurring large debts for taxpayers as had happened with some other councils who had had similar schemes.

Councillor Vernon-Jackson gave his best wishes to everyone for Christmas and the New Year. He thanked members and officers who are working hard to protect residents; he is incredibly grateful for what they are doing.

### **The Cabinet noted the report.**

The meeting concluded at 2:08pm.

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Councillor Gerald Vernon-Jackson CBE  
Leader of the Council

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RECORD OF DECISIONS of the meeting of the Cabinet held remotely on Tuesday 5 January 2021 at 12 pm

**Present**

Councillors            Darren Sanders (in the Chair)  
                              Dave Ashmore  
                              Suzy Horton  
                              Lee Hunt  
                              Hugh Mason  
                              Steve Pitt  
                              Lynne Stagg  
                              Matthew Winnington

Also present during the virtual meeting was Councillor Udy.

**1. Apologies for Absence (AI 1)**

Apologies for absence were received from Councillors Chris Attwell and Gerald Vernon-Jackson. Councillor Steve Pitt sent apologies as he arrived at 12.50 pm due to a previous commitment. In the absence of Councillors Vernon-Jackson (Leader) and Pitt (Deputy Leader) it was agreed that Councillor Darren Sanders would chair the meeting.

**2. Declarations of Interests (AI 2)**

Councillor Sanders declared a personal but non-prejudicial interest for agenda item 3 as his mother was one of the residents who was decanted. However, as she was not involved in the consultation he is not precluded from participating in discussion on the item.

**3. Response to the Housing & Social Care Scrutiny Panel Review into Experiences gathered after the decant of residents from tower blocks (AI 3)**

Paul Fielding, Assistant Director of Housing, Neighbourhood & Building Services, introduced the report.

In response to questions from members he explained that the Panel had considered the policy of only one alternative offer of accommodation. It was always clear to residents that there was just one offer of alternative accommodation. However, the policy was more flexible that it appeared as officers had taken care to understand residents' individual circumstances and needs so in the vast majority of cases the accommodation offered was satisfactory.

Councillor Lee Hunt was disappointed that no members of scrutiny panels or opposition members (apart from Councillor Udy) had requested to attend today's meeting or sent apologies. He thought the report was very good and thanked Councillor Sanders, Paul Fielding and Housing officers for their work.

Councillor Sanders said decants can be worrying and frightening for residents but that safety has to come first. There had been two decants from Horatia House in 13 years. It was good to see that the council can learn from the experience and he requested that Paul Fielding passed on his thanks to all staff involved in the decants.

## DECISIONS

### The Cabinet:

1. **Thanked the Panel for its work in undertaking the review.**
2. **Noted and supported the recommendations of the review, which are listed in section 4 of the report and the response of officers.**

#### **4. Home Energy Support Service (progress update from October) (AI 4)**

Andrew Waggott, Energy Services Team Manager, introduced the report whose aim and highlighted progress against the four key themes.

In response to questions from members he explained that since October the approach has been more modular and graduated rather than a "big bang" launch of services so as to lessen risks from incurring upfront costs and demand that cannot be met. During Covid-19 there would be fewer "blue sky" household energy audits but more targeted approaches, for example, using visits to households to install solid wall insulation as an opportunity to identify energy efficiency measures. To date four local solar PV (photovoltaic) installers have been recruited and added to an approved trader list which will give consumers confidence.

The Environment Centre, based in Southampton, are an environmental charity who have been running for at least ten years and have done a lot of work for Southampton City Council and across the wider Hampshire area on fuel poverty mitigation. The influence of groups like Extinction Rebellion has led to the Environment Centre shifting their focus on to more generic environmental advice and not just fuel poverty. They have a call centre with trained staff and have been appointed on the basis of grant funding of just over £150,000 won by Portsmouth under the Energy Redress Fund.

Solar energy was chosen as a good service to start with as the flagship Switched On Solar Tool is in place. It is anticipated that an approved trader list will be launched and expanded to include routes to other energy efficiency measures such as solid wall installation and air source heat pumps. Funding won under LADS 1A will help the team to treat households with grant funding and if they do not qualify they can be given advice and referred to competent installers. The modular approach to launching services gives officers the ability to tailor sources to demand.

The Home Energy Support Service is flexible enough to respond to lockdown. Demand for "blue sky" audits can be anticipated and will probably be parked for the next three months. The approach can be shifted towards data management as much work with the Switched On Solar Tool is done remotely, for example, by using Lidar and Google Earth. The Tool is called Switched On to match other services.

Members congratulated Andrew Waggott on the award of the EMA (Energy Managers' Association) Public Sector Energy Manager 2020 and the Energy Services Team for being highly commended in the Energy Management Team (Public Sector) category. They thanked officers for the report which is very positive and the right direction to take. Portsmouth is a very progressive local authority when it comes to responding to the climate emergency and should be congratulated on initiatives such as installing LED lights leading to substantial financial savings, appointing climate officers and encouraging solar energy.



Councillor Sanders thought the report showed the way to a kinder, fairer future and could be seen as "the second down payment on the future" (the first being the rehousing of rough sleepers). Everyone has to play a part in making Portsmouth greener. He thanked Andrew Waggott and Meredydd Hughes for their fantastic work and noted that Councillor Vernon-Jackson would like to receive regular updates.

## **DECISIONS**

### **The Cabinet:**

- 1. Agreed that the progress made in widening energy efficiency and renewable energy support is significant, and has the potential to make a positive difference to Portsmouth's climate emergency, when implemented in the way described within this paper.**
  - 2. Agreed that the initial installer engagement, and confirmation of securing significant grant funding, shows early promise that a sustainable low carbon jobs and supply chain can be established and enhanced in the Portsmouth area over time.**
  - 3. Agreed that officers should continue to develop the business models detailed within the report; and that those services with a cost-neutral financial appraisal, and a clear benefit to the households' energy, be launched when practicable to do so.**
  - 4. Recognised that the domestic energy efficiency sector and funding landscape has shifted dramatically over a short period of time; and is expected to continue to do so. The Cabinet agrees that this lends itself to a graduated and modular approach to launching the services described in sections 5 to 9 of this paper; in order to minimise the risk associated with these uncertain market conditions.**
  - 5. Agreed that the high-level communication strategy, combined with tools such as the solar model, is appropriate to engage all households within the city with a clear, tailored message around energy efficiency and renewable energy.**
  - 6. Instructed officers to continue to explore potential external funding streams, given the changing policy landscape, to secure grants relevant to domestic energy efficiency and renewable generation.**
  - 7. Instructed officers to continue to explore the council's ability to provide low-cost loans; for the purposes of households wishing to make energy efficiency or renewable energy upgrades to their homes.**
- 5. Coronavirus Civic Awards (AI 5)**  
Lydia Mellor, Events Manager, introduced the report. She confirmed that the Lord Mayor was happy with the proposed Coronavirus Civic Awards.

In discussion the following points were raised:

Members agreed it would be worth contacting the Office of the Police & Crime Commissioner to see how their virtual award ceremony was organised as it was very professional. Virtual award ceremonies may be needed for 2022 as well as 2021.

It is right to focus on the response to Covid-19 and the proposed awards are indicative of how Portsmouth has stepped up to the challenges. Portsmouth people are unique and have done each other proud when working for fellow citizens and

pulling together. Businesses and organisations like the Hive are already preparing for the third lockdown and ready to help residents. As in the first wave of Covid-19 there may be "hidden heroes" so it is important to acknowledge everyone. The light at the end of the tunnel can be seen as an opportunity to recognise outstanding contributions.

It is important to acknowledge the achievements of a young person.

It is good that the awards will be independently judged and that all nominees will receive a certificate so that it is not elitist.

The award ceremony should be kept as close as possible to the AGM even though the date could change.

Members thanked Lydia Mellor for her work and also Councillor Sanders for proposing the Notice of Motion at the July 2020 Full Council. They agreed to add the following recommendation to the report:

"Agreed that the Cabinet places on record its thanks to all the people of Portsmouth for the fantastic work they have done during the first, second and third lockdowns and hopes everyone will be able to return to normal in the near future."

## **DECISIONS**

**The Cabinet agreed:**

- 1. That the Lord Mayor presents the outstanding Civic Awards from 2019/2020 at the February 2021 Council Meeting.**
  - 2. To replace the annual Civic Awards with Coronavirus Civic Awards for 2020/2021 only, and that these awards will be presented as part of the Annual General Meeting in 2021.**
  - 3. That at least one of the Coronavirus Civic Awards will be awarded to a young person (up to the age of 19).**
  - 4. The award criteria and process as detailed in this report.**
  - 5. That the Cabinet places on record its thanks to all the people of Portsmouth for the fantastic work they have done during the first, second and third lockdowns and hopes everyone will be able to return to normal in the near future.**
- 6. City Vision (AI 6)**  
David Williams, Chief Executive, introduced the report. He requested that his thanks to all participants for the depth and quality of their input be put on record. He particularly thanked Kelly Nash (Corporate Performance Manager), Charlotte Smith (Assistant Director, Corporate Services) and Councillor Pitt (Cabinet Member for Culture, Leisure & Economic Development).

In discussion the following points were raised:

The City Vision is an aspirational and comprehensive document but how it is handed over to all the partner organisations will be the key to its success. Although the council's role is not to micromanage, all partners need to pledge that the Vision's values will be a constant feature of what they do. If the Vision is

referred to in years to come that will be a measure of success. David Williams said that the Imagine Portsmouth partner board had agreed to bring the Vision before the Cabinet for endorsement. The council will be held to account by the other partners but the Vision is more about the spirit of the city than creating metrics such as key performance indicators.

The direction of travel for the city and the council is reflected in the feedback from focus groups. Around 25,000 people had engaged in council consultations in the past year. The city should be proud of its many achievements, for example, the number of small businesses and progress in environmental issues. The re-launched D-Day Museum is an example of what officers and residents can achieve.

The Vision needs maximum publicity in all sectors to stand a reasonable chance of achieving its aims.

Members thanked officers for the huge amount of work and time they had spent on the Vision. Reaching this point has been a very fulfilling journey, involving a wide cross-section of residents, with a destination for everyone to aspire to. The Vision is a living document that reaches far and wide and is not just for the council but for all the partner organisations. Policies and strategies need to be reviewed to see how they align with the Vision.

Members praised officers, particularly Jo Bennett's team and David Williams, for their rapid response to help families who had been evacuated following an explosion on Whale Island over Christmas.

Members agreed to add the following recommendations to the report:

- thank all the participants in the City Vision process for their hard work and the excellent document
- request Full Council consider the document at the earliest opportunity.

## **DECISIONS**

### **The Cabinet:**

- 1. Formally adopted the new vision for Portsmouth in 2040.**
- 2. Thanked all the participants in the City Vision process for their hard work and the excellent document**
- 3. Requested Full Council consider the document at the earliest opportunity.**

The meeting concluded at 1:26 pm.

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Councillor Darren Sanders  
Cabinet Member for Housing and Preventing Homelessness

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# Agenda Item 4



**Portsmouth**  
CITY COUNCIL

**Title of meeting:** Cabinet

**Date of meeting:** 2<sup>nd</sup> February 2021

**Subject:** Extension of food waste trials

**Report by:** James Hill - Director of Housing, Neighbourhood & Building Services

**Report Author:** Colette Hill - Assistant Director, Neighbourhood Services

**Wards affected:** All

**Key decision:** No

**Full Council decision:** No

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## 1. Purpose of report

- 1.1. To update the Cabinet on the progress, and propose further extensions to the separate food waste collection trials.

## 2. Recommendations

### 2.1. That the Cabinet:

- i) Note the progress and outcomes of the existing two food waste collection round trials and agree to continue these for a further 12 months from September 2021
- ii) Approve an extension of a further two rounds for a 12 month period from September 2021 at a cost of £300,000 and that this be funded from the Cabinet Reserve but subject to the following:
  - a. Full Council approval on 9<sup>th</sup> February 2021 of the mainstreaming of the current 2 Food Waste Recycling rounds into base budgets at a cost of £300,000 (including the associated necessary savings to fund it)
  - b. Full Council approval on 9<sup>th</sup> February 2021 of the Capital Scheme to fund the associated Capital Costs of £340,000 which includes 2 additional waste vehicles, additional bins and receptacles plus project costs

## 3. Background

- 3.1. Under the terms of the Environmental Protection Act, 1990, Portsmouth City Council (the 'Council') is classed as a Waste Collection and Disposal Authority, and as such, under section 45 (1), has a statutory duty to collect household

waste from all domestic properties in the city. Under Section 46(4) of the Act, the Council has specific powers to stipulate:

- The size and type of the collection receptacle(s);
- Where the receptacle(s) must be placed for the purpose of collecting and emptying;
- The materials or items which may or may not be placed within the receptacle(s).

- 3.2. Currently rubbish is collected weekly and recycling is collected fortnightly.
- 3.3. There is also a network of bring banks for glass, textiles and cartons.
- 3.4. Portsmouth has a recycling rate of 25.5% (2018/19) although recent changes to the waste collection system should deliver an improvement to this as the amount of waste produced reduces and the amount of recycling increases.
- 3.5. Portsmouth does have one of the lowest landfill use rates in the Country at just 4.2% of waste.
- 3.6. Food waste is currently collected as part of the black bag collection and is disposed of at the Energy Recovery Facility. The Energy Recovery Facility processes non-recyclable household waste and supplies up to 14MWs of electricity to the National Grid, which is enough power for around 20,600 local homes.
- 3.7. A recent waste composition analysis (Autumn 2018) showed that in Portsmouth just under 40% of black bag waste is food waste - 10% unavoidable, 30% avoidable.
- 3.8. The administration was keen to improve opportunities for resident to recycle more items and recognised that city wide separate food waste collection could improve the recycling rate by 5-8%
- 3.9. In September 2019, the first food waste round trial was launched. A further trial round was added from September 2020.
- 3.10. Food waste collected in these trials is taken to an anaerobic digestion facility at Hurn, Dorset to be recycled into biogas and digestate.
- 3.11. The two rounds initially covered 18051 properties but were extended and now cover 23995 properties. There is room for some further expansion which is reviewed constantly.(see appendix A for roads in existing trial areas)
- 3.12. Households were provided with a 5litre kitchen caddy and a 25litre caddy to place out for collection.
- 3.13. Both trials were well received by residents and participation rates were good.

	Food waste 1	Food waste 2
Participation by households	61%	42%
% of black bag waste diverted to recycling	19%	16%



Average tonnes of food waste collected per week	15.67 tonnes	15.20 Tonnes
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- 3.14. In the first full year of food waste collection 812 tonnes of food waste has been recycled. Once we roll out the food waste collections across the whole city, we expect to collect and recycle almost 5,000 tonnes per year. This should reduce black bag tonnage by just over 10%.
- 3.15. The recycling of food waste in the first two food waste trials has led to a reduction in CO<sub>2</sub>e of 12 tonnes per year. City wide food waste could reduce CO<sub>2</sub>e by around 36 tonnes per year.

#### 4. Reasons for recommendations

- 4.1. Residents have responded well to the separate food waste collections and participation levels have been good. The WRAP Household food waste collection guide suggests participation rates >55% are good and between 35 - 55% are average.
- 4.2. Over 50% of residents who responded to the survey said that they had changed their food shopping habits once they had seen how much food waste they produced. This type of change has a number of benefit and will help to reduce overall waste tonnages. Additionally, the Council will benefit from the sales of the capacity this creates at the Energy Recovery Facility.
- 4.3. Further expansion of the food waste trials will contribute to an increase in the recycling rate. If 10% of all black bag waste is diverted to recycling we could see an increase in the recycling rate of up to 6% (up to 4% for four trial areas)
- 4.4. In a survey of food waste trial 1 residents, 93.19% of residents were satisfied or very satisfied, with the main reason for dissatisfaction being the smell of the caddy when full. A further 63.11% of respondents reported improvements to street cleanliness and just under 50% reported that they had changed their shopping habits to reduce waste.
- 4.5. Expansion of the trials could further reduce the CO<sub>2</sub>e in the City.
- 4.6. The city wide rollout of separate food waste was due to coincide with the new waste collection contract which was scheduled to begin on 1 October 2021. However, the waste collection contract has now been extended until 30 September 2023 in order that changes arising from the Environment Bill can be delivered as part of that contract. The COVID-19 pandemic has also impacted on delivering city wide food waste. However, with this planned expansion of a further 2 rounds, up to two thirds of households in the city will benefit from a separate food waste collection service.
- 4.7. The Council is currently developing its plan for provision of an anaerobic digestion facility which would recycle food waste produced by the City and beyond.

- 4.8. It should be noted that the September 2021 start date has a number of dependencies including securing a disposal point, lead times for caddies and availability of vehicles.
- 4.9. The trial for Food Waste 3 and Food Waste 4 will run for 12 months, with participation and tonnage data monitored.
- 4.10. Customer feedback will also be sought once the trial is embedded.

## **5. Integrated impact assessment**

- 5.1. No significant impact. Whilst some issues have been identified, mitigations are in place to address these. - see attached IIA (appendix b)

## **6. Legal implications**

- 6.1. Please note the responsibilities and powers of the Council described in para.3.1.
- 6.2. The waste collection policy outlines what steps can be taken to assist those who have a protected characteristic (principally a disability) to comply by way of seeking to register with PCC for assisted collection.
- 6.3. The Environment Bill 2019/2020 is currently going through Parliament. Part 3 of the Bill makes provisions for the managing of waste and producer responsibility. The provisions introduce amongst other matters amendments to the responsibilities and powers for separating and recycling waste. This will further impact the Local Authority's need to make effective waste management arrangements.

## **7. Director of Finance's comments**

- 7.1 The cost of the current food waste collection service is intended to be met from the general fund cash limit, although this is subject to approval as part of the Council's Budget (Revenue Budget & Capital Programme 2021 22) on 9<sup>th</sup> February 2021
- 7.2 The extension of the food waste collection service by two additional rounds will cost in the region of £300,000, the cost of this 12 month pilot can be met from the Cabinet Reserve. This covers the increased cost of collection and disposal.
- 7.3 The capital cost associated with the introduction of a further 2 Food Waste collection rounds is estimated to be £340,000 and will require onward approval at Full Council on the 9<sup>th</sup> February 2021. This costs includes the purchase of two vehicles, additional bins and receptacles and project costs.

.....  
Signed by: James Hill, Director of Housing, Neighbourhood and Building Services



**Appendices:**

Appendix a - roads in trial areas Food Waste 1 and Food Waste 2

Appendix b - Integrated Impact Assessment

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

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

<b>Title of document</b>	<b>Location</b>
Cabinet Report (2020) - Enhanced recycling options	<a href="#">Enhanced Recycling Options report.pdf (portsmouth.gov.uk)</a>
Environment & Community Safety Cabinet Report (2019) - Separate food waste collection trial	<a href="#">Member report - Separate food waste collection trial final.pdf (portsmouth.gov.uk)</a>

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

.....  
Signed by:

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<b>Monday</b>		<b>Tuesday</b>		<b>Wednesday</b>
REF8		Ref 6		Ref 4
Address	No.	Address	No.	Address
Aldsworth Close	17	A'beck Court	12	Addison Road
Aldsworth Gardens	14	Armory Lane	71	Albert Grove
Braemar Avenue	15	Bath Square	19	Albert Road
Central Road	83	Bathing Lane	1	Beatrice Road
Chilgrove Road	27	Battery Row	5	Boulton Road
Court Close	25	Beck Street	7	Campbell Road
Court Lane	85	Beehive Walk	41	Chelsea Road
Court Mead	19	Bellevue Terrace	8	Esslemont Road
Dysart Avenue	53	Bishop Street	23	Fawcett Road
East Court	11	Blackfriars Road	15	Goodwood Road
Edison Spur	4	Blossom Square	18	Grenville Road
Faraday Road	26	Blount Road	18	Havelock Road
Franklin Close	4	Britain Street	7	Holland Road
Gofton Avenue	31	Broad Street	60	Inglis Road
Grove Road	57	Camber Place	11	Lawrence Road
Hirst Road	25	Captains Row	18	Leopold Street
Homefield Road	27	Chadderton Gardens	13	Livingstone Road
Invergordon Avenue	40	Chatham Drive	22	Londesborough Road
Karen Avenue	16	Clock Street	2	Lorne Road
Kinross Crescent	107	College Street	1	Norland Road
Kirton Road	14	Cumberland Street	26	Outram Road
Laburnum Avenue	33	Curzon Howe Road	50	Oxford Road
Langdale Avenue	22	Dean Street	8	Sutherland Road
Lordington Close	16	East Street	2	Victoria Grove
Lower Drayton Lane	153	Farthing Lane	5	Wilson Grove
Manor Crescent	28	French Street	15	Wish Place
Mansvid Avenue	32	Froddington Road	30	Cleveland Road
Merz Close	6	Grand Parade	12	Lawson Road
Northern Road	6	Grays Court	18	Stansted Road
Old Manor Way	99	Greetham Street	31	Festing Mews
Orsted Drive	17	Guildhall Walk	9	Harold Road
Pangbourne Avenue	22	Halfpenny Lane	5	Graham Road
Racton Avenue	27	Hampshire Terrace	14	Norman Road
Scholars Walk	1	Havant Street	3	Trevor Road
South Road	76	High Street East	70	Delemere Road
Southbourne Avenue	60	High Street West	52	*Kelly Court
Station Road	200	Highbury Street	16	*Bayswater House
Tesla Drive	19	Hyde Park Road	1	*Chatsworth Court
Tregaron Avenue	52	Jubilee Terrace	12	*Rowena Court
Wainwright Close	12	Kent Street	19	Britannia Road North
Waverley Road	40	King Charles Street	6	Britannia Road
Stroudley Avenue	33	King Henry I Street	1	Rugby Road
Marsh Close	17	King William Street	27	Eton Road
Londale Avenue	85	Kings Terrace	26	Harrow Road
Rosebery Avenue	88	Landport Street	3	Heyward Road
Hilary Avenue	55	Landport Terrace	23	Southern Fawcett Road
Beaconsfield Avenue	95	Lansdowne Street	7	Chetwynd Road

*Marshfield House	24	Lombard Street	20	Darlington Road
*25-35 Karen Avenue	6	Nobbs Lane	7	
Lealand Road	81	Omega Street	2	
Lealand Grove	2	Ordnance Row	14	
Copsey Close	15	Oyster Street	9	
Copsey Grove	94	Peacock Lane	21	
King Arthur's Court	11	Pembroke Close	3	
Salisbury Road	52	Pembroke Road	27	
Knowsley Crescent	33	Penny Street	56	
Magdala Road	52	Plymouth Street	7	
Glenleigh Avenue	6	Poynings Place	15	
Dorking Crescent	18	Queen Street	37	
Knowsley Road	73	Raglan Street	8	
Park Grove	23	Rosemary Lane	1	
The Orchard	2	Sea Mill Gardens	23	
Widley Court Drive	22	Slingsby Close	9	
Albert Road	62	Somers Road	2	
Pervin Road	33	South Normandy	10	
Dean Road	33	Southsea Terrace	5	
Cosham Park Avenue	12	St Georges Road	10	
		St Georges Square	9	
		St Georges Way	15	
		St James's Street	5	
		St Nicholas Street	20	
		St Thomas's Court	12	
		St Thomas's Street	61	
		Sun Street	7	
		The Hard	22	
		Three Tun Close	9	
		Tower Street	5	

**Thursday**

Ref 6

**Friday**

Ref 3

No.	Address	No.	Address	No.
23	Aston Road	39	Ascot Road	18
43	Blenheim Court	8	Beasant Close	43
204	Canterbury Road	48	Cedar Grove	58
40	Clegg Road	26	Chasewater Avenue	80
128	Devonshire Avenue	289	Chilcote Road	46
76	Eastfield Road	225	Ebery Grove	96
77	Haslemere Road (93-191;108-224)	81	Hayling Avenue	273
127	Hatfield Road	38	Jenkins Grove	83
172	Hellyer Road	36	Kimbolton Road	126
101	Highland Road (97-297;56-176)	177	Kirpal Road	63
30	Highland Terrace	19	Lakeside Avenue	23
39	Hunter Road	75	Lichfield Road	103
26	Landguard Road	195	Marina Grove	24
42	Mafeking Road	106	Maydman Square	26
135	Maxwell Road	46	Myrtle Grove	44
51	Methuen Road (89-169;104-140)	56	Neville Road	19
44	Oliver Road	50	St Pirans Avenue	71
127	Pedam Close	11	Stride Avenue	155
20	Pretoria Road	102	Sunningdale Road	55
26	Reginald Road (111-133;106-184)	51	Tamworth Road	22
65	Rochester Road	40	Wallisdean Avenue	47
117	St Albans Road	23	Wells Close	47
94	St Anns Road	22	Whitecliffe Avenue	65
45	Tower Road	8	Tangier Road	2
31	Tredegar Road	70	East Shore Way	57
6	Westfield Road	239	Eastern Avenue	46
57	White Cloud Park	15	Salterns Avenue	77
95	Winter Road (1-97;2-94)	106	Lacey Road	6
109	Prince Albert Road	2	Shore Avenue	15
7	Reginald Road (1a-105	102	*4-14 EASTERN ROAD	6
70	Methuen Road (1-102)	77	*16-26 EASTERN ROAD	6
6	Billings Close	9	*28-44 EASTERN ROAD	9
38	Carpenter Close	13	*46-62 EASTERN ROAD	9
56	Prince Albert Road (41-134 Highland Rd t	94	*64-80 EASTERN ROAD	9
1			*82-92 EASTERN ROAD	6
4			*1-11 EASTERN ROAD	6
15			*13-29 EASTERN ROAD	9
12			*31-41 EASTERN ROAD	6
8			*43-59 EASTERN ROAD	9
37			*61-71 EASTERN ROAD	6
34			*73-89 EASTERN ROAD	9
21			*2 EAST SHORE WAY	16
22			*4 EAST SHORE WAY	16
13			Langstone Road	180
13			Walsall Road	16
191			Cheslyn Road	40
67			Petworth Road	34



	HH	Flats	Blocks of f	Total HH
<b>Monday</b>	2618	30	2	2648
<b>Tuesday</b>	2207	309	8	2516
<b>Wednesday</b>	2790	39	4	2829
<b>Thursday</b>	2498	0	0	2498
<b>Friday</b>	2095	122	14	2217
<b>Totals</b>	12208	500	28	<b>12708</b>

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# Integrated Impact Assessment (IIA)

Integrated impact assessment (IIA) form December 2019

[www.portsmouth.gov.uk](http://www.portsmouth.gov.uk)

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

- identify those policies, projects, services, functions or strategies that could impact positively or negatively on the following areas:
  - Communities and safety
  - Regeneration and culture
  - Environment and public space
  - Equality & diversity

**Directorate:**

Housing, Neighbourhood and Building Services

**Service, function:**

Waste Management

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

Domestic Waste Collection Service - food waste - new  
Revised 15/01/21 by CH

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

- Existing
- New / proposed
- Changed

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

To reduce waste and increase recycling by collecting food waste separately and sending it for recycling treatment (anaerobic digestion). A waste composition analysis carried out in October 2018 showed that 39.9% of waste in the residual domestic waste (black bag waste) is comprised of food waste. This change will affect mainly houses - approx. 66,500 households although it could be rolled out to blocks

of flats where it is practicable to do so. There should also be an improvement in terms of street cleanliness as food waste would be less likely to be in the bin bags in areas where bag collection continues.

Has any consultation has been undertaken for this proposal? What were the outcomes of the consultations? Has anything changed because of the consultation? Did this inform your proposal?

The waste composition analysis demonstrated that food waste was the largest portion of the residual waste that could be collected separately and sent for recycling treatment (in this case - anaerobic digestion). Trials have been carried out in 5 parts of the City and resident feedback sought. Just over 8500 residents participated in the trials and over the 13 weeks of the trial 61% of households participated in the trial each week and between 19-20% of refuse was diverted in food waste for recycling. We also carried out a survey following the trials. Background info was also used from the Equality and Diversity Strategy 2019-2021 and the Joint Needs Assessment (JSNA).

## A - Communities and safety

Yes

No

Is your policy, proposal relevant to the following questions?

### A1-Crime - Will it make our city safer?



In thinking about this question:

- How will it reduce crime, disorder, ASB and the fear of crime?
- How will it prevent the misuse of drugs, alcohol and other substances?
- How will it protect and support young people at risk of harm?
- How will it discourage re-offending?

If you want more information contact [Lisa.Wills@portsmouthcc.gov.uk](mailto:Lisa.Wills@portsmouthcc.gov.uk) or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/cou-spp-plan-2018-20.pdf>

Please expand on the impact on these issues your proposal will have, and how you propose to mitigate any negative impacts?

How will you measure/check the impact of your proposal?

## A - Communities and safety

Yes

No

Is your policy, proposal relevant to the following questions?

### A2-Housing - Will it provide good quality homes?



In thinking about this question:

- How will it increase good quality affordable housing, including social housing?
- How will it reduce the number of poor quality homes and accommodation?
- How will it produce well-insulated and sustainable buildings?
- How will it provide a mix of housing for different groups and needs?

If you want more information contact [Daniel.Young@portsmouthcc.gov.uk](mailto:Daniel.Young@portsmouthcc.gov.uk) or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/psh-providing-affordable-housing-in-portsmouth-april-19.pdf>

Please expand on the impact on these issues your proposal will have, and how you propose to mitigate any negative impacts?

How are you going to measure/check the impact of your proposal?

**A - Communities and safety**

**Yes**

**No**

Is your policy, proposal relevant to the following questions?

**A3-Health** - Will this help promote healthy, safe and independent living?

In thinking about this question:

- How will it improve physical and mental health?
- How will it improve quality of life?
- How will it encourage healthy lifestyle choices?
- How will it create healthy places? (Including workplaces)

If you want more information contact [Daniel.Young@portsmouthcc.gov.uk](mailto:Daniel.Young@portsmouthcc.gov.uk) or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/psh-providing-affordable-housing-in-portsmouth-april-19.pdf>

Please expand on the impact on these issues your proposal will have, and how you propose to mitigate any negative impacts?

How are you going to measure/check the impact of your proposal?

**A - Communities and safety**

**Yes**

**No**

Is your policy, proposal relevant to the following questions?

**A4-Income deprivation and poverty**-Will it consider income deprivation and reduce poverty?

In thinking about this question:

- How will it support those vulnerable to falling into poverty; e.g., single working age adults and lone parent households?
- How will it consider low-income communities, households and individuals?
- How will it support those unable to work?
- How will it support those with no educational qualifications?

If you want more information contact [Mark.Sage@portsmouthcc.gov.uk](mailto:Mark.Sage@portsmouthcc.gov.uk) or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/cou-homelessness-strategy-2018-to-2023.pdf>

<https://www.portsmouth.gov.uk/ext/health-and-care/health/joint-strategic-needs-assessment>

Please expand on the impact on these issues your proposal will have, and how you propose to mitigate any negative impacts?

As residents see what food waste they produce separately from the rest of their waste, it may lead to changes in shopping habits, and menu planning, which in turn may help to reduce food waste. This may have a small financial impact on some households.

How are you going to measure/check the impact of your proposal?

We will monitor tonnage of food waste, and composition of the black bag waste over the long term.

## A - Communities and safety

Yes

No

Is your policy, proposal relevant to the following questions?

**A5-Equality & diversity** - Will it have any positive/negative impacts on the protected characteristics?



In thinking about this question:

- How will it impact on the protected characteristics-Positive or negative impact (Protected characteristics under the Equality Act 2010, Age, disability, race/ethnicity, Sexual orientation, gender reassignment, sex, religion or belief, pregnancy and maternity, marriage and civil partnership,socio-economic)
- What mitigation has been put in place to lessen any impacts or barriers removed?
- How will it help promote equality for a specific protected characteristic?

If you want more information contact [gina.perryman@portsmouthcc.gov.uk](mailto:gina.perryman@portsmouthcc.gov.uk) or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/cmu-equality-strategy-2019-22-final.pdf>

Please expand on the impact on these issues your proposal will have, and how you propose to mitigate any negative impacts?

The introduction of a separate food waste collection may impact on residents who are elderly, infirm or disabled or have a medical need and they may suffer a detrimental impact from this change. Residents may object to an additional food waste container. Some residents may not understand what to do with the additional container. The container is small (approx. 23litres) and has a handle so is more easily moved than a wheeled bin and smaller than a standard sized bin bag so may be easier to place out for collection than the current wheeled bin or standard bin bag. Assisted collections will still apply for those residents who qualify. Clear communications will accompany the roll out of the scheme. These will included pictorial instructions. This IIA complements the Waste Collection EIA that was amended for food waste trials in February 2019.

Residents in the food waste trial were consulted. 881 households responded. Of those responses:

- 9.49% declared having one or more disability.
- From the 123 declared disabilities, physical and mobility were the most common at 20.33% and 26.02% respectively.
- Of those who responded as having a disability, 92.41% were either very satisfied or satisfied with the introduction of the food waste

collection.

- From the respondents that answered, 98.67% found the caddies easy to use.

How are you going to measure/check the impact of your proposal?

Through participation rates and by ensuring that we address issues with individual households. The team will also work with residents who experience difficulties in using the caddies and address these on an individual basis.

This may include providing alternative receptacles, assisted collections, or changes to what they present and 

**B - Environment and climate change**

**Yes**

**No**

Is your policy, proposal relevant to the following questions?

**B1-Carbon emissions** - Will it reduce carbon emissions?



In thinking about this question:

- How will it reduce greenhouse gas emissions?
- How will it provide renewable sources of energy?
- How will it reduce the need for motorised vehicle travel?
- How will it encourage and support residents to reduce carbon emissions?

If you want more information contact [Tristan.thorn@portsmouthcc.gov.uk](mailto:Tristan.thorn@portsmouthcc.gov.uk) or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/cmu-sustainability-strategy.pdf>

Please expand on the impact on these issues your proposal will have, and how you propose to mitigate any negative impacts?

The food waste will go for treatment at an anaerobic digestion plant rather than to the Energy Recovery Facility currently used for all black bag waste. This should reduce waste and improve recycling rates. There will be additional CO2e from the additional vehicles but this will be more than offset by the improvement in the amount of waste recycled will contribute to a reduction of CO2e. (A reduction of approx. 36 tonnes of CO2e per annum)

How are you going to measure/check the impact of your proposal?  
Ongoing monitoring of the tonnage by type collected and disposal method.

**B - Environment and climate change**

**Yes**

**No**

Is your policy, proposal relevant to the following questions?

**B2-Energy use** - Will it reduce energy use?



In thinking about this question:

- How will it reduce water consumption?
- How will it reduce electricity consumption?
- How will it reduce gas consumption?
- How will it reduce the production of waste?

If you want more information contact [Daniel.Young@portsmouthcc.gov.uk](mailto:Daniel.Young@portsmouthcc.gov.uk) or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/psh-providing-affordable-housing-in-portsmouth-april-19.pdf>

Please expand on the impact on these issues your proposal will have, and how you propose to mitigate any negative impacts?

The food waste will be collected separately and residents will be able to see how much waste they are producing. This may lead to a reduction in the amount of food they buy - this will mean less food and residual waste due to corresponding packaging.

How are you going to measure/check the impact of your proposal?  
Ongoing monitoring of the tonnage by type collected and disposal method along with regular composition analysis

**B - Environment and climate change**

Yes

No

Is your policy, proposal relevant to the following questions?

**B3 - Climate change mitigation and flooding**-Will it proactively mitigate against a changing climate and flooding ?



In thinking about this question:

- How will it minimise flood risk from both coastal and surface flooding in the future?
- How will it protect properties and buildings from flooding?
- How will it make local people aware of the risk from flooding?
- How will it mitigate for future changes in temperature and extreme weather events?

If you want more information contact [Tristan.thorn@portsmouthcc.gov.uk](mailto:Tristan.thorn@portsmouthcc.gov.uk) or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/env-surface-water-management-plan-2019.pdf>

<https://www.portsmouth.gov.uk/ext/documents-external/cou-flood-risk-management-plan.pdf>

Please expand on the impact on these issues your proposal will have, and how you propose to mitigate any negative impacts?

It will lead to a reduction in CO2e related to waste collection and disposal.

How are you going to measure/check the impact of your proposal?

**B - Environment and climate change**

Yes

No

Is your policy, proposal relevant to the following questions?

**B4-Natural environment**-Will it ensure public spaces are greener, more sustainable and well-maintained?



In thinking about this question:

- How will it encourage biodiversity and protect habitats?
- How will it preserve natural sites?
- How will it conserve and enhance natural species?

If you want more information contact [Daniel.Young@portsmouthcc.gov.uk](mailto:Daniel.Young@portsmouthcc.gov.uk) or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/pln-solent-recreation-mitigation-strategy-dec-17.pdf>

Please expand on the impact on these issues your proposal will have, and how you propose to mitigate any negative impacts?

Empty text box for impact expansion

How are you going to measure/check the impact of your proposal?

**B - Environment and climate change**

Yes

No

Is your policy, proposal relevant to the following questions?

**B5-Air quality** - Will it improve air quality?



In thinking about this question:

- How will it reduce motor-vehicle traffic congestion?
- How will it reduce emissions of key pollutants?
- How will it discourage the idling of motor vehicles?
- How will it reduce reliance on private car use?

If you want more information contact [Hayley.Trower@portsmouthcc.gov.uk](mailto:Hayley.Trower@portsmouthcc.gov.uk) or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/env-aq-air-quality-plan-outline-business-case.pdf>

Please expand on the impact on these issues your proposal will have, and how you propose to mitigate any negative impacts?

There will be an additional fleet of up to 9 food waste collection vehicles carrying out weekly collections. Food waste is currently collected within the black bag waste. This increase in CO2e is more than offset by the reduction in CO2e from recycling the food waste rather than sending it for energy recovery.

How are you going to measure/check the impact of your proposal?

We will ensure that round design is as efficient as possible and also ensure that we maximise the food waste capture. Food waste tonnages will be monitored.

**B - Environment and climate change**

Yes

No

Is your policy, proposal relevant to the following questions?

**B6-Transport** - Will it improve road safety and transport for the whole community?



In thinking about this question:

- How will it prioritise pedestrians, cyclists and public transport users over users of private vehicles?
- How will it be safe and comfortable for children and older people to cycle and walk in the area?
- How will it increase the proportion of journeys made using sustainable and active transport?
- How will it reduce the risk of traffic collisions, and near misses, with pedestrians and cyclists?

If you want more information contact [Pam.Turton@portsmouthcc.gov.uk](mailto:Pam.Turton@portsmouthcc.gov.uk) or go to:

<https://www.portsmouth.gov.uk/ext/travel/local-transport-plan-3>

Please expand on the impact on these issues your proposal will have, and how you propose to mitigate any negative impacts?

Rounds will be designed so that waste vehicles are not operating close to schools at drop off times.

How are you going to measure/check the impact of your proposal?



Is your policy, proposal relevant to the following questions?

**B7-Waste management** - Will it increase recycling and reduce the production of waste?



In thinking about this question:

- How will it reduce household waste and consumption?
- How will it increase recycling?
- How will it reduce industrial and construction waste?

If you want more information contact [Steven.Russell@portsmouthcc.gov.uk](mailto:Steven.Russell@portsmouthcc.gov.uk) or go to:

<https://documents.hants.gov.uk/mineralsandwaste/HampshireMineralsWastePlanADOPTED.pdf>

Please expand on the impact on these issues your proposal will have, and how you propose to mitigate any negative impacts?

The separately collected food waste will be send for treatment at an anaerobic digestion facility (currently treated at an energy recovery facility). This means that it will be recycled rather than go for recovery. Approx. 40% of black bag waste is food waste. Trials have shown that where there is a separate collection for food waste, residual waste reduces accordingly. In the trials participation has ranged from 42 - 60% with 16-19% of residual (black bag) waste being diverted for recycling at an anaerobic digestion plant. This service is for domestic waste only.

How are you going to measure/check the impact of your proposal?

Tonnages will be monitored along with participation levels and black bag composition.

**C - Regeneration of our city**

Yes

No

Is your policy, proposal relevant to the following questions?

**C1-Culture and heritage** - Will it promote, protect and enhance our culture and heritage?



In thinking about this question:

- How will it protect areas of cultural value?
- How will it protect listed buildings?
- How will it encourage events and attractions?
- How will it make Portsmouth a city people want to live in?

If you want more information contact [Claire.Looney@portsmouthcc.gov.uk](mailto:Claire.Looney@portsmouthcc.gov.uk) or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/pln-portsmouth-plan-post-adoption.pdf>

Please expand on the impact on these issues your proposal will have, and how you propose to mitigate any negative impacts?

How are you going to measure/check the impact of your proposal?

**C - Regeneration of our city**

Yes

No

Is your policy, proposal relevant to the following questions?

**C2-Employment and opportunities** - Will it promote the development of a skilled workforce?



In thinking about this question:

- How will it improve qualifications and skills for local people?
- How will it reduce unemployment?
- How will it create high quality jobs?
- How will it improve earnings?

If you want more information contact [Mark.Pembleton@portsmouthcc.gov.uk](mailto:Mark.Pembleton@portsmouthcc.gov.uk) or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/cou-regeneration-strategy.pdf>

Please expand on the impact on these issues your proposal will have, and how you propose to mitigate any negative impacts?

How are you going to measure/check the impact of your proposal?

Is your policy, proposal relevant to the following questions?

**C3 - Economy** - Will it encourage businesses to invest in the city, support sustainable growth and regeneration?

In thinking about this question:

- How will it encourage the development of key industries?
- How will it improve the local economy?
- How will it create valuable employment opportunities for local people?
- How will it promote employment and growth to the city?

If you want more information contact [Mark.Pembleton@portsmouthcc.gov.uk](mailto:Mark.Pembleton@portsmouthcc.gov.uk) or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/cou-regeneration-strategy.pdf>

Please expand on the impact on these issues your proposal will have, and how you propose to mitigate any negative impacts?

There may be limited additional employment created as additional collections crews will be needed

How are you going to measure/check the impact of your proposal?

**Q8 - Who was involved in the Integrated integrated assessment?**

Colette Hill, Mark Sage - Tackling Poverty co-ordinator

**This IIA has been approved by:** Colette Hill, Asst Director Neighbourhoods

**Contact number:** 023 92 834872

**Date:** 15/01/2021

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# Agenda Item 5



Portsmouth  
CITY COUNCIL

<b>Title of meeting:</b>	Cabinet Meeting
<b>Date of meeting:</b>	2 February 2021
<b>Subject:</b>	Portsmouth Lottery
<b>Report by:</b>	Director of Culture, Leisure and Regulatory Services
<b>Wards affected:</b>	All
<b>Key decision:</b>	No
<b>Full Council decision:</b>	No

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## 1. Purpose of report

It is proposed that the lottery be transferred to HIVE Portsmouth to operate as a community lottery.

## 2. Recommendations

**That Cabinet approve the transfer of the Portsmouth Lottery to HIVE Portsmouth as the community strategic partner.**

## 3. Background

- 3.1. Portsmouth Lottery was launched by Portsmouth City Council on November 5<sup>th</sup> 2016 with nearly 3,000 tickets in the weekly draw. It was, at the time, the largest launch the operating company, Gatherwell Ltd. (the operator) had ever seen.
- 3.2. Since then **184** organisations have benefitted from the Portsmouth Lottery with funds raised to date totalling **£233,433.60**
- 3.3. 20p of each ticket in the draw was returned to the centre (PCC) for re-distribution to local voluntary groups via a grant application process. Since January 2017, **seventy-five organisations** have received funding totalling **£100,151.80** from this process.
- 3.4. Since 2017, the weekly ticket sales have been in steady decline and with the cessation of a marketing budget and dedicated officer time, ticket numbers have dwindled to around 750 a year

#### **4. Reasons for recommendations**

- 4.1. HIVE Portsmouth works with a broad spectrum of voluntary and community groups across Portsmouth, including around 680 city based groups on their directory of services. Hive is well positioned to take on this role as they already provide grant distribution on behalf of other agencies including British Red Cross, AVIVA, Southern Co-operative and Portsmouth City Council and in addition will be able to add new impetus in terms of marketing.
- 4.2. The Portsmouth Lottery panel to decide upon distribution of the residue funds will remain as now, with membership from business, education and the voluntary sector in Portsmouth. The process for applying for funds will also remain the same.
- 4.3. The benefits of moving to the HIVE Portsmouth include an increase in marketing and a saving of PCC officer time in administering the fund.

#### **5. Actions Required**

- 5.1. Portsmouth City Council will have to give three months' notice to the operating company, Gatherwell Ltd. to make the necessary changes to the website; amend the £1 split (if required – a minimum of 20% of the ticket value must be returned to the operating society. HIVE Portsmouth may choose to amend the amount returned to say 25, 30 or 40% of the ticket price. Gosport Community Lottery return 40% of the ticket price to the society to be distributed as grants), change bank details, inform the Gambling Commission.
- 5.2. HIVE Portsmouth to apply for a Small Society lottery licence from Portsmouth City Council (£40 fee) – there is no requirement for HIVE Portsmouth to apply to the Gambling Commission as long as the following criteria can be met:
- 5.3. A small society lottery must apply at least 20% of the proceeds of the lottery to the purposes of the society.
- 5.4. The current limits mean that no single prize in a small society lottery may be worth more than £25,000.
- 5.5. Roll-overs are only permitted where every lottery affected is also a small society lottery promoted by the same society, and the maximum single prize does not exceed £25,000.
- 5.6. Every ticket in the lottery must cost the same and the fee must be paid to the society before entry into the draw is allowed.
- 5.7. Lottery Returns needs to be submitted every 3 months to PCC licencing

**6. Integrated impact assessment**

6.1. An Integrated Impact Assessment has been completed - Appendix 1.

**7. Legal implications**

7.1. Small Society Lotteries are regulated by the Gambling Act 2005, in particular Part 4 of Schedule 11 to that Act.

7.2. 'Society Lotteries' allow for the distribution of lottery proceeds collected by non-commercial societies, local authorities and External Lottery Managers (ELMs). A society is non-commercial if it is established and conducted:

- for charitable purposes
- for the purpose of enabling participation in, or of supporting, sport, athletics or a cultural activity
- for any other non-commercial purpose other than that of private gain.

Such lotteries must return a minimum of 20% of the proceeds to the purpose of the society or local authority.

7.3. The steps required to be taken in order for the Portsmouth Lottery to transfer to The Hive are outlined in the body of the report.

**8. Director of Finance's comments**

There are no direct financial implications arising from the recommendations in this report

.....  
Signed by:

**Appendices:**

Appendix 1. Integrated Impact Assessment

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

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

Title of document	Location

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

.....  
Signed by:



# Integrated Impact Assessment (IIA)

Integrated impact assessment (IIA) form December 2019

[www.portsmouth.gov.uk](http://www.portsmouth.gov.uk)

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

- identify those policies, projects, services, functions or strategies that could impact positively or negatively on the following areas:
  - Communities and safety
  - Regeneration and culture
  - Environment and public space
  - Equality & - Diversity This can be found in Section A5

**Directorate:**

Culture, Leisure & Regulatory Services

**Service, function:**

Voluntary & community sector

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

Portsmouth lottery

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

- Existing
- New / proposed
- Changed

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

The aim is to proposed that the lottery be transferred to HIVE Portsmouth to operate as a community lottery.

Has any consultation been undertaken for this proposal? What were the outcomes of the consultations? Has anything changed because of the consultation? Did this inform your proposal?

Consultation has not been undertaken as the criteria and policy of the lottery has not been changed, this will not effect any people that play the lottery it is purely a back-office function of another organisation operating this service.

**A - Communities and safety**

**Yes**

**No**

Is your policy/proposal relevant to the following questions?

**A1-Crime** - Will it make our city safer?



In thinking about this question:

- How will it reduce crime, disorder, ASB and the fear of crime?
- How will it prevent the misuse of drugs, alcohol and other substances?
- How will it protect and support young people at risk of harm?
- How will it discourage re-offending?

If you want more information contact [Lisa.Wills@portsmouthcc.gov.uk](mailto:Lisa.Wills@portsmouthcc.gov.uk) or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/cou-spp-plan-2018-20.pdf>

Please expand on the impact your policy/proposal will have, and how you propose to mitigate any negative impacts?

How will you measure/check the impact of your proposal?

**A - Communities and safety**

**Yes**

**No**

Is your policy/proposal relevant to the following questions?

**A2-Housing** - Will it provide good quality homes?



In thinking about this question:

- How will it increase good quality affordable housing, including social housing?
- How will it reduce the number of poor quality homes and accommodation?
- How will it produce well-insulated and sustainable buildings?
- How will it provide a mix of housing for different groups and needs?

If you want more information contact [Daniel.Young@portsmouthcc.gov.uk](mailto:Daniel.Young@portsmouthcc.gov.uk) or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/psh-providing-affordable-housing-in-portsmouth-april-19.pdf>

Please expand on the impact your policy/proposal will have, and how you propose to mitigate any negative impacts?

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How are you going to measure/check the impact of your proposal?

**A - Communities and safety**

**Yes**

**No**

Is your policy/proposal relevant to the following questions?

**A3-Health** - Will this help promote healthy, safe and independent living?

In thinking about this question:

- How will it improve physical and mental health?
- How will it improve quality of life?
- How will it encourage healthy lifestyle choices?
- How will it create healthy places? (Including workplaces)

If you want more information contact [Dominique.Letouze@portsmouthcc.gov.uk](mailto:Dominique.Letouze@portsmouthcc.gov.uk) or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/cons-114.86-health-and-wellbeing-strategy-proof-2.pdf>

Please expand on the impact your policy/proposal will have, and how you propose to mitigate any negative impacts?

How are you going to measure/check the impact of your proposal?

**A - Communities and safety**

**Yes**

**No**

Is your policy/proposal relevant to the following questions?

**A4-Income deprivation and poverty**-Will it consider income deprivation and reduce poverty?

In thinking about this question:

- How will it support those vulnerable to falling into poverty; e.g., single working age adults and lone parent households?
- How will it consider low-income communities, households and individuals?
- How will it support those unable to work?
- How will it support those with no educational qualifications?

If you want more information contact [Mark.Sage@portsmouthcc.gov.uk](mailto:Mark.Sage@portsmouthcc.gov.uk) or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/cou-homelessness-strategy-2018-to-2023.pdf>

<https://www.portsmouth.gov.uk/ext/health-and-care/health/joint-strategic-needs-assessment>

Please expand on the impact your policy/proposal will have, and how you propose to mitigate any negative impacts?

How are you going to measure/check the impact of your proposal?

**A - Communities and safety**

**Yes**

**No**

Is your policy/proposal relevant to the following questions?

**A5-Equality & diversity** - Will it have any positive/negative impacts on the protected characteristics?



In thinking about this question:

- How will it impact on the protected characteristics-Positive or negative impact (Protected characteristics under the Equality Act 2010, Age, disability, race/ethnicity, Sexual orientation, gender reassignment, sex, religion or belief, pregnancy and maternity, marriage and civil partnership,socio-economic)
- What mitigation has been put in place to lessen any impacts or barriers removed?
- How will it help promote equality for a specific protected characteristic?

If you want more information contact [gina.perryman@portsmouthcc.gov.uk](mailto:gina.perryman@portsmouthcc.gov.uk) or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/cmu-equality-strategy-2019-22-final.pdf>

Please expand on the impact your policy/proposal will have, and how you propose to mitigate any negative impacts?

Transferring the lottery to HIVE Portsmouth will have a positive impact of small groups and organisations in Portsmouth. HIVE has great links and partnerships with other small groups and charities in Portsmouth and with this proposal we hope this will increase the take up of the lottery as they have a lot more channels open to them for this to be a success. As known there is a cynicism with a statutory organisation operating schemes like this, HIVE has a great reputation of working well with the voluntary and community sector and this hopefully will encourage more people to play the lottery to raise money and enable to increase the number of grants given. The lottery tends to help a lot of groups that often are from minority groups and protected characteristics groups, this will be a positive move to enable more groups and organisations to benefit from this grant giving scheme.

How are you going to measure/check the impact of your proposal?

This will be measured by the amount of of tickets sold as well as the amount of grants given to groups and organisations in the Portsmouth area.

HIVE will ensure all minority groups have an opportunity to apply for grants in various ways, equality data will be collected to ensure applications that are being submitted from all minority groups who wish to. Where the take up from specific protected characteristics is low HIVE will undertake consultation exercises to find the reasons why and put processes in place to ensure no groups are put at a disadvantage when applying.

**B - Environment and climate change**

**Yes**

**No**

Is your policy/proposal relevant to the following questions?

**B1-Carbon emissions** - Will it reduce carbon emissions?

In thinking about this question:

- How will it reduce greenhouse gas emissions?
- How will it provide renewable sources of energy?
- How will it reduce the need for motorised vehicle travel?
- How will it encourage and support residents to reduce carbon emissions?

If you want more information contact [Tristan.thorn@portsmouthcc.gov.uk](mailto:Tristan.thorn@portsmouthcc.gov.uk) or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/cmu-sustainability-strategy.pdf>

Please expand on the impact your policy/proposal will have, and how you propose to mitigate any negative impacts?

How are you going to measure/check the impact of your proposal?

**B - Environment and climate change**

**Yes**

**No**

Is your policy/proposal relevant to the following questions?

**B2-Energy use** - Will it reduce energy use?

In thinking about this question:

- How will it reduce water consumption?
- How will it reduce electricity consumption?
- How will it reduce gas consumption?
- How will it reduce the production of waste?

If you want more information contact [Triston.thorn@portsmouthcc.gov.uk](mailto:Triston.thorn@portsmouthcc.gov.uk) or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/pln-portsmouth-plan-post-adoption.pdf>  
<https://democracy.portsmouth.gov.uk/documents/s24685/Home%20Energy%20Appendix%201%20-%20Energy%20and%20water%20at%20home%20-%20Strategy%202019-25.pdf>

Please expand on the impact your policy/proposal will have, and how you propose to mitigate any negative impacts?

How are you going to measure/check the impact of your proposal?

**B - Environment and climate change**

Yes

No

Is your policy/proposal relevant to the following questions?

**B3 - Climate change mitigation and flooding**-Will it proactively mitigate against a changing climate and flooding?

In thinking about this question:

- How will it minimise flood risk from both coastal and surface flooding in the future?
- How will it protect properties and buildings from flooding?
- How will it make local people aware of the risk from flooding?
- How will it mitigate for future changes in temperature and extreme weather events?

If you want more information contact [Tristan.thorn@portsmouthcc.gov.uk](mailto:Tristan.thorn@portsmouthcc.gov.uk) or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/env-surface-water-management-plan-2019.pdf>

<https://www.portsmouth.gov.uk/ext/documents-external/cou-flood-risk-management-plan.pdf>

Please expand on the impact your policy/proposal will have, and how you propose to mitigate any negative impacts?

How are you going to measure/check the impact of your proposal?

**B - Environment and climate change**

Yes

No

Is your policy/proposal relevant to the following questions?

**B4-Natural environment**-Will it ensure public spaces are greener, more sustainable and well-maintained?

In thinking about this question:

- How will it encourage biodiversity and protect habitats?
- How will it preserve natural sites?
- How will it conserve and enhance natural species?

If you want more information contact [Daniel.Young@portsmouthcc.gov.uk](mailto:Daniel.Young@portsmouthcc.gov.uk) or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/pln-solent-recreation-mitigation-strategy-dec-17.pdf>

<https://www.portsmouth.gov.uk/ext/documents-external/pln-portsmouth-plan-post-adoption.pdf>

Please expand on the impact your policy/proposal will have, and how you propose to mitigate any negative impacts?

How are you going to measure/check the impact of your proposal?

**B - Environment and climate change**

Yes

No

Is your policy/proposal relevant to the following questions?

**B5-Air quality** - Will it improve air quality?

In thinking about this question:

- How will it reduce motor vehicle traffic congestion?
- How will it reduce emissions of key pollutants?
- How will it discourage the idling of motor vehicles?
- How will it reduce reliance on private car use?

If you want more information contact [Hayley.Trower@portsmouthcc.gov.uk](mailto:Hayley.Trower@portsmouthcc.gov.uk) or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/env-aq-air-quality-plan-outline-business-case.pdf>

Please expand on the impact your policy/proposal will have, and how you propose to mitigate any negative impacts?

How are you going to measure/check the impact of your proposal?

**B - Environment and climate change**

Yes

No

Is your policy/proposal relevant to the following questions?

**B6-Transport** - Will it improve road safety and transport for the whole community?

In thinking about this question:

- How will it prioritise pedestrians, cyclists and public transport users over users of private vehicles?
- How will it allocate street space to ensure children and older people can walk and cycle safely in the area?
- How will it increase the proportion of journeys made using sustainable and active transport?
- How will it reduce the risk of traffic collisions, and near misses, with pedestrians and cyclists?

If you want more information contact [Pam.Turton@portsmouthcc.gov.uk](mailto:Pam.Turton@portsmouthcc.gov.uk) or go to:

<https://www.portsmouth.gov.uk/ext/travel/local-transport-plan-3>

Please expand on the impact your policy/proposal will have, and how you propose to mitigate any negative impacts?

How are you going to measure/check the impact of your proposal?

Is your policy/proposal relevant to the following questions?

**B7-Waste management** - Will it increase recycling and reduce the production of waste?



In thinking about this question:

- How will it reduce household waste and consumption?
- How will it increase recycling?
- How will it reduce industrial and construction waste?

If you want more information contact [Steven.Russell@portsmouthcc.gov.uk](mailto:Steven.Russell@portsmouthcc.gov.uk) or go to:

<https://documents.hants.gov.uk/mineralsandwaste/HampshireMineralsWastePlanADOPTED.pdf>

Please expand on the impact your policy/proposal will have, and how you propose to mitigate any negative impacts?

How are you going to measure/check the impact of your proposal?



**C - Regeneration of our city**

Yes

No

Is your policy/proposal relevant to the following questions?

**C1-Culture and heritage** - Will it promote, protect and enhance our culture and heritage?



In thinking about this question:

- How will it protect areas of cultural value?
- How will it protect listed buildings?
- How will it encourage events and attractions?
- How will it make Portsmouth a city people want to live in?

If you want more information contact [Claire.Looney@portsmouthcc.gov.uk](mailto:Claire.Looney@portsmouthcc.gov.uk) or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/pln-portsmouth-plan-post-adoption.pdf>

Please expand on the impact your policy/proposal will have, and how you propose to mitigate any negative impacts?

How are you going to measure/check the impact of your proposal?

**C - Regeneration of our city**

Yes

No

Is your policy/proposal relevant to the following questions?

**C2-Employment and opportunities** - Will it promote the development of a skilled workforce?



In thinking about this question:

- How will it improve qualifications and skills for local people?
- How will it reduce unemployment?
- How will it create high quality jobs?
- How will it improve earnings?

If you want more information contact [Mark.Pembleton@portsmouthcc.gov.uk](mailto:Mark.Pembleton@portsmouthcc.gov.uk) or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/cou-regeneration-strategy.pdf>

Please expand on the impact your policy/proposal will have, and how you propose to mitigate any negative impacts?

How are you going to measure/check the impact of your proposal?

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Is your policy/proposal relevant to the following questions?

**C3 - Economy** - Will it encourage businesses to invest in the city, support sustainable growth and regeneration?

In thinking about this question:

- How will it encourage the development of key industries?
- How will it improve the local economy?
- How will it create valuable employment opportunities for local people?
- How will it promote employment and growth in the city?

If you want more information contact [Mark.Pembleton@portsmouthcc.gov.uk](mailto:Mark.Pembleton@portsmouthcc.gov.uk) or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/cou-regeneration-strategy.pdf>

Please expand on the impact your policy/proposal will have, and how you propose to mitigate any negative impacts?

How are you going to measure/check the impact of your proposal?

**Q8 - Who was involved in the Integrated impact assessment?**

Catherine Ramsay

This IIA has been approved by:

Contact number:

Date:

# Agenda Item 6



**Title of meeting:** City Council

**Date of meeting:** 02 February 2021 (Cabinet)  
09 February 2021 (City Council)

**Subject:** Portsmouth City Council - Budget & Council Tax 2021/22 & Medium Term Budget Forecast 2022/23 to 2024/25

**Report by:** Director of Finance & Resources (S.151 Officer)

**Wards affected:** All

**Key decision:** Yes

**Full Council decision:** Yes

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## 1. Executive Summary

- 1.1 The key proposals within this report recommend a Budget for 2021/22 that provides for:
- £1.3m of savings
  - A Council Tax increase of 4.99% (3.0% of which is raised specifically to be passported to Adult Social Care)
  - A forecast for the 3 year period beyond 2021/22 which will require a further £3.0m in savings
  - New Capital Investment to the City of £35.8m.
- 1.2 The COVID-19 pandemic has a significant impact on the budget proposals in both the Revised Budget for the current year, the Budget for 2021/22 and the future years' forecasts. Some of the financial impacts of the pandemic are expected to be short term in nature (1 to 2 years) but others are expected to endure through the longer term. Excluding Business Rate reliefs which are fully recompensed by Government, the cost of responding to the COVID pandemic in the current year is expected to amount to £33.1m with associated Government funding of £31.9m.
- 1.3 Over the next 2 years (commencing 2021/22), the additional COVID Costs and income losses are expected to amount to £15m with associated Government funding of £8m. In the longer term, it is anticipated that the overall position will be affected by circa £3m per annum with the Council's cost base increasing by circa £2m alongside a longer term funding loss across Council Tax and Business Rates of circa £1m.

- 1.4 The budget proposals seek to ensure that the financial position of both Adult and Children's Social Care remains robust both in the short and medium term. It is recognised that COVID-19 poses risks to the budgets of Adult and Children's Social Care but also to the Council more generally.
- 1.5 The Administration propose to provide sustained funding for the current Food Waste Recycling service, embedding £300,000 into base budgets. Alongside, the Administration are expanding the service by a further 2 rounds (see Cabinet Agenda 02 February 2021 Agenda Item 4 "Extension of Food Waste Collections") but with a view to embedding that also into base budgets as soon as funding can be identified. This will provide around two thirds coverage of the service across the City.
- 1.6 The uncertainty presented by the COVID-19 pandemic has led to a delay in:
- The Government's multi year Comprehensive Spending Review (setting the overall funding for Local Government over the medium term)
  - The comprehensive overhaul of the Local Government funding system known as the "Fair Funding Review", (to determine a new formula methodology which will set each Local Authority's baseline funding level and creating "winners and losers")
  - The system for retaining future Business Rate growth / loss (involving the removal of all existing growth and re-distributing that growth nationally according to relative need (rather than where it was generated)).
- 1.7 The Council's future Forecast has been estimated in the context of the uncertainty set out above. For the 3 year period 2022/23 to 2024/25 it is estimated that the Budget Deficit will be £3m. This requires the Council to make incremental budget savings of £1m per annum for each of those years. However, for the reasons set out above, the Council's future forecast deficits could reasonably be expected to vary between +/- £3m in total and therefore the annual savings requirements could also vary by +/- £1m per annum.
- 1.8 During this unprecedented level of uncertainty, it is imperative that the Council continues to plan for savings of £1.0m per year, retaining reserves at the levels proposed in this report to retain the necessary financial resilience to be able to respond in all circumstances.
- 1.9 The Capital Programme makes proposals for new Capital Expenditure of £35.8m, of which £21.6m is from Corporate Capital Resources, therefore leveraging in borrowing capability and external funding amounting to £14.2m. Key Investments include £9.5m into school buildings, £15.7m for new and upgraded sports, leisure and community facilities and £1.7m for Phase 1 of a re-development of Cosham (see Cabinet Agenda 02 February 2021 Item 13 "Cosham Development Sites").
- 1.10 An Executive Summary of these key points and others is set out below.

## EXECUTIVE SUMMARY

### Context

- ❖ Since 2011/12, the Council will have made £103m in savings (48% of controllable spend)
- ❖ Adult and Children's Social Care representing in excess of 50% of controllable spend, provide services to the most vulnerable, experience the greatest cost pressures and have historically received significant protection from savings
- ❖ The Council's Medium Term Financial Strategy seeks to maximise savings through income generation, economic regeneration and efficiency measures

### Budget Consultation

- ❖ 79% of respondents support an increase in Council Tax as opposed to cuts in Services
- ❖ A clear majority (67% of respondents) are also in support of an additional 3% Council Tax increase specifically to support Adult Social Care services.
- ❖ The top three most important service areas for residents at present are, in order of popularity:
  1. Collecting rubbish and recycling
  2. Providing social care services for elderly people and those with disabilities and helping them to lead independent lives
  3. Providing social care services for vulnerable children and keeping them safe.
- ❖ The three most selected priority investment opportunities for the future were, in order of popularity:
  1. Making our rubbish and recycling collections more environmentally friendly
  2. Investing in facilities for walking and cycling, increasing sustainable travel
  3. Making urgent repairs to school buildings

### Revised Budget 2020/21

- ❖ A Balanced Budget for 2020/21 accommodating the expected full COVID-19 impact as follows:
  - COVID related costs and income losses £33.1m (excl. CTax & Bus. Rates)
  - COVID related funding £31.9m
- ❖ Set aside of £12.4m (mainly from the Deficit Recovery Strategy funding £11.9m) to fund COVID costs for the following 2 years
- ❖ Overall forecast underspend of £2.9m which is being used to support the Budget for 2021/22



## EXECUTIVE SUMMARY (Cont'd)

### Budget 2021/22

- ❖ Incorporates £1.3m of Savings in accordance with the Council resolution of 12 February 2020 (with an additional £0.3m identified in order to provide mainstream funding for Food Waste Recycling)
- ❖ Food Waste Recycling service to now cover two thirds of the City
- ❖ The Local Government Finance Settlement has provided substantial relief for:
  - The short term impact of COVID-19 of £6.6m grant plus the continuation for 3 months of the Sales, Fees & Charges Compensation scheme (funding circa. 70% of income streams excluding commercial property)
  - The cost pressures in Adult and Children's Social Care in 2021/22 of £1.4m
  - A grant of £1.7m for the expected reduction in Council Tax income from the increase in Local Council Tax Support applications
- ❖ Additional funding for Adult Social Care of £2.8m to accommodate their demographic cost pressures, support mental health services and contribute towards the additional costs to care providers associated with the National Living Wage (increase of 2.2%)
- ❖ Replenishment of the Medium Term Resource Strategy (MTRS) Reserve of £3m (following the withdrawal of £5m in the current year to support the Deficit Recovery Strategy)
- ❖ A Council Tax increase of 4.99%, in accordance with the Budget Consultation, of which:
  - 1.99% is for general council services (at an inflation based level)
  - 3.0% (amounting to £2.5m) is to be passported directly to Adult Social Care
- ❖ A reduction in the Council Tax Base (income) due mainly to additional Council Tax Support payments and the losses on collection amounting to £1.9m
- ❖ A revenue contribution to Capital of £4.2m to supplement the Capital Resources available to the Capital Programme for 2021/22
- ❖ A withdrawal from General Reserves of £2.0m (noting the underspend of £2.9m in the previous year)

## EXECUTIVE SUMMARY (Cont'd)

### Future Forecast - 2022/23 to 2024/25

- ❖ The forecast for the new 3 Year Period (now extended to 2024/25) is a £3.0m deficit
- ❖ The new forecast is subject to unprecedented uncertainty due to the longer term impact of COVID-19, the forthcoming Multi Year Spending Review, Fair Funding Review and the Business Rate Retention Scheme review; the forecast could vary by +/- £3m
- ❖ Future forecasts seek to make adequate provision for both the replenishment of the MTRS Reserve as well as contributions towards necessary Capital Investment requirements
- ❖ Proposed that Savings are phased evenly at £1.0m p.a over the next 3 years (i.e. beyond 2021/22)
- ❖ General Reserves are maintained over the period at circa £19m (**assuming the £1.0m p.a. savings are achieved**)
- ❖ Balanced approach to savings if the forecast proves to be too pessimistic or too optimistic. With General Reserves at proposed levels, savings of £1.0m p.a. ensure that for any improvement in the forecast, the Council has not prematurely made a level of savings that could have been avoided and for any deterioration, good progress towards the necessary savings will have been made

### Capital Programme 2020/21 to 2025/26

- ❖ Total New Capital Investment of £35.8m
- ❖ Key Investments include:
  - New Leisure Centre, Pool and Community Centre - £15.7m
  - School Buildings - £9.5m
  - Football facilities at KGV - £3.2m
  - Future High Street regeneration (subject to business case) - £2.0m
  - IT Infrastructure - £1.9m
  - Cosham Re-development (Phase 1) - £1.7m
  - Integrated transport measures - £1.0m
  - Environmental Enhancements - £0.8m

### Conclusion

- ❖ Council's financial health is sound, and the Council remains well placed to face the future uncertainty of COVID-19 and the review of Local Government funding

## 2. Purpose of report

- 2.1 The primary purpose of this report is to set the Council's overall Budget for the forthcoming year 2021/22 and the associated level of Council Tax necessary to fund that Budget.
- 2.2 The report makes recommendations on the level of Council spending for 2021/22 and the level of Council Tax in the context of the Council's Medium Term Financial Strategy with its stated aim as follows:

### OVERALL AIM

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

- 2.3 The recommended Budget for 2021/22 has been prepared on the basis of the following:
  - The Council resolution of 11 February 2020 that set an overall savings requirement of £1.0m
  - An increase in the level of Council Tax for 2021/22 for general purposes of 1.99%
  - The flexibility to increase the level of Council Tax for an "Adult Social Care Precept", within the limits set by Central Government at 3.0%, and the direct passporting of that additional funding to Adult Social Care to provide for otherwise unfunded cost pressures.
- 2.4 This report also provides a comprehensive revision of the Council's rolling 3 year future financial forecast for the new period 2022/23 to 2024/25 (i.e. compared to the previous forecast covering 2021/22 to 2023/24, this forecast now replaces the forecast for the previous 3 year period).
- 2.5 The new forecast considers the future outlook for both spending and funding, and in that context, wider recommendations are made regarding the levels of reserves to be maintained and additional contributions to the Capital Programme in order to meet the Council's aspirations for the City as well as maintaining the Council's overall financial resilience throughout this uncertain period.



2.6 In particular, this report sets out the following:

- (a) The challenging and uncertain financial climate facing the City Council in 2021/22 and beyond, and the consequential budget deficits that result
- (b) A brief summary of the Medium Term Financial Strategy for achieving the necessary savings
- (c) The revised Revenue Budget and Cash Limits for the current year
- (d) The Local Government Finance Settlement for 2021/22
- (e) The Business Rate income for 2021/22 and future years
- (f) The Council Tax base and recommended Council Tax for 2021/22
- (g) The forecast Collection Fund balance as at 31 March 2021 for both Council Tax and Business Rates
- (h) The detailed indicative savings (Appendix C) that could be made by each Portfolio / Committee in meeting its overall savings amount in order to provide the Council with the assurance necessary to approve the recommended savings amount for each Portfolio / Committee
- (i) The proposed Revenue Budget and Cash Limits for 2021/22
- (j) The forecast Revenue Budgets and revised Savings Requirements for 2022/23, 2023/24 and 2024/25
- (k) Estimated General Reserves over the period 2020/21 to 2024/25
- (l) The Medium Term Resource Strategy (MTRS) Reserve, its financial position and proposed use to achieve cashable efficiencies
- (m) The proposed Capital Programme and "new starts" (including the Housing Investment Capital Programme) for 2020/21 and future years in accordance with the Capital Strategy
- (n) The statement of the S. 151 Officer on the robustness of the budget in compliance with the requirements of the Local Government Act 2003.

### **3. Recommendations**

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

- 1) The revised Revenue Estimates for the financial year 2020/21 and the Revenue Estimates for the financial year 2021/22 as set out in the General Fund Summary (Appendix A)
- 2) That the Environment & Climate Change Portfolio Cash Limit be increased by £300,000 in 2021/22 to mainstream the current 2 Food Waste Recycling rounds into base budgets
- 3) The Portfolio Cash Limits for the Revised Budget for 2020/21 and the Budget 2021/22 incorporating the savings amounts for each Portfolio and amounting to £1.3m as set out in Sections 7 and 11, respectively
- 4) Any underspendings for 2020/21 arising at the year-end outside of those made by Portfolios be transferred to Capital Resources in order to provide funding

for known and potential future commitments in future years such as Special Educational Need (SEN) School Places, Sea Defences (enhancements to core scheme), Expansion of Food Waste Recycling, Environmental Improvements, Transport Improvements, Affordable Housing, City Wide Regeneration, Digital Infrastructure and the maintenance of the Council's Core Operational Assets, for which there is currently insufficient funding

- 5) Any variation to the Council's funding arising from the final Local Government Finance Settlement be accommodated by a transfer to or from General Reserves
- 6) The S.151 Officer be given delegated authority to make any necessary adjustments to Cash Limits within the overall approved Budget and Budget Forecasts
- 7) That the level of Council Tax be increased by 1.99% for general purposes in accordance with the referendum threshold<sup>1</sup> for 2021/22 announced by Government (as calculated in recommendation 3.4 (d))
- 8) That the level of Council Tax be increased by a further 3.0% beyond the referendum threshold (as calculated in recommendation 3.4 (d)) to take advantage of the flexibility offered by Government to implement a "Social Care Precept", and that in accordance with the conditions of that flexibility, the full amount of the associated sum generated of £2,461,300 is passported direct to Adult Social Care
- 9) That a Revenue Contribution to Capital be made in 2021/22 in the sum of £4.234m in order to provide sufficient funding for the New Capital Investment proposals set out in Appendix D
- 10) That a transfer to the MTRS Reserve be made in 2021/22 for the sum of £3.0m in order to replenish the reserve to a level sufficient to be able to continue as a primary vehicle to generate future savings and enable cost avoidance
- 11) Managers be authorised to incur routine expenditure against the Cash Limits for 2021/22 as set out in Section 11
- 12) That the savings requirement for 2022/23 be set at a minimum on-going sum of £1.0m
- 13) That the S.151 Officer be given delegated authority to make transfers to and from reserves in order to ensure that they are maintained as necessary and in particular, adjusted when reserves are no longer required or need to be replenished
- 14) Directors be instructed to start planning how the City Council will achieve the savings requirements shown in Section 12 and that this be incorporated into Service Business Plans
- 15) The minimum level of General Reserves as at 31 March 2022 be maintained at £8.0m to reflect the known and expected budget and financial risks to the Council

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

- 16) The Revised Capital Programme 2020/21 to 2025/26 attached as Appendix E which includes all additions, deletions and amendments for slippage and re-phasing be approved
  - 17) The S.151 Officer be given delegated authority to determine how each source of finance is used to fund the overall Capital Programme and to alter the overall mix of financing, as necessary, to maximise the flexibility of capital resources used and minimise the ongoing costs of borrowing to the Council
  - 18) That the S.151 Officer in consultation with the Leader of the Council be given delegated authority to release capital resources held back for any contingent items that might arise, and also for any match funding requirements that may be required of the City Council in order to secure additional external capital funding (e.g. bids for funding from Government or the Solent Local Enterprise Partnership)
  - 19) Subject to a satisfactory financial appraisal approved by the Director of Finance and Resources & S.151 Officer, the schemes described in Appendix D be reflected within the recommended Capital Programme 2020/21 to 2025/26
  - 20) The Prudential Indicators described set out in Appendix F be approved.
  - 21) Members have had regard for the Statement of the S.151 Officer in accordance with the Local Government Act 2003 as set out in Section 16.
- 3.2 That the following be **noted** in respect of the Council's Revenue Budget and Capital Programme:
- 1) The Revenue Estimates 2021/22 as set out in Appendix A have been prepared on the basis of a 3.0% tax increase for the "Social Care Precept" (amounting to £2,416,300) and that this is passported to Adult Social Care in order to provide for otherwise unfunded budget pressures including the current underlying budget deficit, the cost of the National Living Wage and demographic pressures arising from a "living longer" population
  - 2) The decision on the amount at which to set the Adult Social Care precept will be critical for the Social Care and wider health system in the City; in the event that the additional flexibility of the "Social Care Precept" and associated 3.0% tax increase (amounting to £820,400 for each 1%) is not taken, then equivalent savings will need to be made in Adult Social Care in 2021/22
  - 3) In general, any reduction to the proposed increase in the level of Council Tax for 2021/22 will require equivalent offsetting savings to be made in order for the Budget 2021/22 to be approved. Each 1% reduction requires additional savings of £820,400 to be made.
  - 4) The indicative savings proposals set out in Appendix C which are provided for the purpose of demonstrating to the Council that the Portfolio savings as recommended in paragraph 3.1 3) above are robust and deliverable
  - 5) The likely impact of savings as set out in Appendix C
  - 6) That the responsibility of the City Council is to approve the overall Budget and the associated cash limits of its Portfolios and Committees; it is not the

responsibility of the City Council to approve any individual savings within those Portfolios / Committees

- 7) That it is the responsibility of the individual Portfolio Holders (not Full Council) to approve the individual savings proposals and the Portfolio Holder can therefore, in response to any consultation, alter, amend or substitute any of the indicative savings proposal(s) set out in Appendix C with alternative proposal(s) amounting to the same value within their Portfolio
- 8) Managers will commence the implementation of the approved savings required and any necessary consultation process or notice process
- 9) The Revenue Forecast for 2022/23 to 2024/25 as set out in Section 12 and Appendix B
- 10) The estimated Savings Requirement of £3.0m for the 3 year period 2022/23 to 2024/25, for financial and service planning purposes, be phased as follows:

<b>Financial Year</b>	<b>In Year Savings Requirement £m</b>	<b>Cumulative Saving £m</b>
2022/23	1.0	1.0
2023/24	1.0	2.0
2024/25	1.0	3.0

- 11) In accordance with the approved financial framework, it is the responsibility of the Portfolio Holder, in consultation with the Director of Finance & Resources (S.151 Officer), to release funds from the Portfolio Reserve in accordance with the provisions set out in Section 8.
- 12) The MTRS Reserve held to fund the upfront costs associated with Spend to Save Schemes, Invest to Save Schemes and redundancies will hold an uncommitted balance of £4.8m<sup>2</sup> and will only be replenished in future from an approval to the transfer of any underspends, contributions from the Revenue Budget or transfers from other reserves which may no longer be required
- 13) The Council's share of the Council Tax element of the Collection Fund deficit for 2020/21 is estimated to be £819,610
- 14) The Council's share of the Business Rate element of the Collection Fund deficit for 2020/21 is estimated to be £22,553,209
- 15) The Retained Business Rate income<sup>3</sup> for 2021/22 is based on the estimated Business Rate element of the Collection Fund deficit as at March 2021, the Non Domestic Rates poundage for 2021/22 and estimated rateable values for 2021/22 and has been determined at £30,730,310
- 16) That Cabinet Members, in consultation with the S.151 Officer, have authority to vary Capital Schemes and their associated funding within their Portfolio in

<sup>2</sup> Including the net transfers from the reserve of £5.0m in 2020/21 and the to the Reserve of £3.0m in 2021/22 contained within the recommendations

<sup>3</sup>Includes Retained Business Rates £41,039,126, "Top Up" £6,952,434, a deficit on the Collection Fund of £22,553,209 plus S.31 Grants of £5,291,959 for compensation due to national Government business rate relief initiatives

order to manage any potential overspending or funding shortfall or to respond to emerging priorities

- 17) That Cabinet Members, in consultation with the S.151 Officer, have authority to vary funding between Portfolios (both Revenue and Capital Budgets) in order to manage any potential overspending or funding shortfall or to respond to emerging priorities
- 18) The City Council note that Prudential Borrowing can only be used as a source of capital finance for Invest to Save Schemes

3.3 That the S.151 Officer has determined that the Council Tax base for the financial year 2021/22 will be **56,487.9** [item T in the formula in Section 31 B(1) of the Local Government Finance Act 1992, as amended (the "Act")].

3.4 That the following amounts be now calculated by the Council for the financial year 2020/21 in accordance with Section 31 and Sections 34 to 36 of the Local Government Finance Act 1992:

(a)	£463,153,794	Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act.
(b)	£377,017,090	Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
(c)	£86,136,704	Being the amount by which the aggregate at 3.4 (a) above exceeds the aggregate at 3.4 (b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. (Item R in the formula in Section 31B(1) of the Act.
(d)	£1,524.87	Being the amount at 3.4(c) above (Item R), all divided by Item 3.3 above (Item T), calculated by the Council, in accordance with Section 31B(1) of the Act, as the basic amount of its Council Tax for the year.

(e) Valuation Bands (Portsmouth City Council)

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
1,016.58	1,186.01	1,355.44	1,524.87	1,863.73	2,202.59	2,541.45	3,049.74

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

- 3.5 That it be noted that for the financial year 2021/22 the Hampshire Police & Crime Commissioner is consulting upon the following amounts for the precept to be issued to the Council in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of the dwellings shown below:

Valuation Bands (Hampshire Police & Crime Commissioner)

<b>A</b> £	<b>B</b> £	<b>C</b> £	<b>D</b> £	<b>E</b> £	<b>F</b> £	<b>G</b> £	<b>H</b> £
150.97	176.14	201.30	226.46	276.78	327.11	377.43	452.92

- 3.6 That it be noted that for the financial year 2021/22 Hampshire and Isle of Wight Fire and Rescue Authority it is estimated that the following amounts for the precept issued to the Council in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of the dwellings shown below:

Valuation Bands (Hampshire and Isle of Wight Fire & Rescue Authority)

<b>A</b> £	<b>B</b> £	<b>C</b> £	<b>D</b> £	<b>E</b> £	<b>F</b> £	<b>G</b> £	<b>H</b> £
46.95	54.78	62.60	70.43	86.08	101.73	117.38	140.86

- 3.7 That having calculated the aggregate in each case of the amounts at 3.4(e), 3.5 and 3.6 above, the Council, in accordance with Sections 31A, 31B and 34 to 36 of the Local Government Finance Act 1992 as amended, hereby sets the following amounts as the amounts of Council Tax for the financial year 2021/22 for each of the categories of dwellings shown below:

Valuation Bands (Total Council Tax)

<b>A</b> £	<b>B</b> £	<b>C</b> £	<b>D</b> £	<b>E</b> £	<b>F</b> £	<b>G</b> £	<b>H</b> £
1,214.50	1,416.93	1,619.34	1,821.76	2,226.59	2,631.43	3,036.26	3,643.52

- 3.8 The Council determines in accordance with Section 52ZB of the Local Government Finance Act 1992 that the Council's basic amount of Council Tax for 2021/22, which represents a 4.99% increase, is not excessive in accordance with the principles approved by the Secretary of State under Section 52ZC of the Act; and it be noted that:

- i) The 4.99% increase includes a 3.0% increase to support the delivery of Adult Social Care
- ii) As the billing authority, the Council has not been notified by a major precepting authority (the Police and Crime Commissioner for Hampshire or the Hampshire and Isle of Wight Fire & Rescue Authority) that its relevant basic amount of Council Tax for 2021/22 is excessive and that the billing authority is not required to hold a referendum in accordance with Section 52ZK of the Local Government Finance Act 1992.

- 3.9 The S.151 Officer be given delegated authority to implement any variation to the overall level of Council Tax arising from the final notification of the Hampshire Police

& Crime Commissioner and Hampshire and Isle of Wight Fire and Rescue Authority precepts.

#### 4. Budget Consultation

4.1 A public consultation was held in relation to the Budget and Council Tax 2021/22 across a 3 week period from 08 December 2020 to 28 December 2020 to assist the Administration in formulating its Budget proposals. The consultation was promoted through the following channels:

- Press release announcing start of consultation and focus on impact of COVID-19 / budget plans
- Social media promotion including boosted posts and adverts
- News story on website and promoted on homepage banner and banner that runs across the whole site as well as 'Your City Your Say' page
- Inclusions in news bulletins - all-subscriber coronavirus bulletin, Your City Your Say, Family Life, Flag It Up, Business Bulletin
- Inclusion in staff bulletins and all-staff emails
- Newsletter copy and social post/links shared with partner organisations
- The Council's offline consultation database (outbound telephone calls through the City Helpdesk)

4.2 Using the various channels of marketing and communications listed above, the consultation survey attracted 1,579 responses. Assuming a "total population" of 175,294 (the latest mid-year estimate from the Office for National Statistics for people aged 16-90+ in Portsmouth) this volume of responses ensures a 95% confidence level that the results are reliable with a margin of error of 2.46%.

4.3 The Executive Summary of the "Budget Consultation 2020 (Relating to 2021/22 Fiscal Year)" is reproduced below:

#### **Executive Summary - Budget Consultation 2020 (Relating to 2021/22 Fiscal Year)**

4.4 Portsmouth City Council's annual budget consultation had 1,579 responses from all areas across the City. The analysis undertaken on the results showed that at full sample level there was no majority in either of the percent specific increases in Council Tax (46% of respondents support a 2% increase). However, when results are viewed as a binary choice as "increase Council Tax" or "do not increase Council Tax" - there is clear majority support for an increase of some sort (79% of respondents). A clear majority (67% of respondents) are also in support of an additional 3% Council Tax increase specifically to support social care services.

4.5 Results show that the top three most important service areas for residents at present are, in order of popularity:

1. Collecting rubbish and recycling

2. Providing social care services for elderly people and those with disabilities and helping them to lead independent lives
3. Providing social care services for vulnerable children and keeping them safe.

Further analysis showed that there was little variation by postcode district in priority services at present.

4.6 The three most selected priority investment opportunities for the future were, in order of popularity:

1. Making our rubbish and recycling collections more environmentally friendly
2. Investing in facilities for walking and cycling, increasing sustainable travel
3. Making urgent repairs to school buildings

Over a third of respondents cited environmental improvements as a key investment priority for the future with many suggesting that climate change and reducing air pollution in the City should be a specific focus for future investment.

4.7 The full report can be found [here](#)

## 5. Medium Term Financial Strategy

5.1 The Council has been required to make £103m in savings and efficiencies over the past 10 years in order to balance the Budget, ensuring that spending remains in line with income and funding levels. This represents 48% of all controllable spending.

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

### OVERALL AIM

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



### STRAND 1 - Short / Medium Term

Transforming to an Innovative and Creative Council - through income generation

### STRAND 2 - Medium / Long Term

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

### STRAND 3 - Short / Medium Term

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

### STRAND 4 - Short Term

Withdraw or Offer Minimal Provision for Low Impact Services

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

## **6. Revised Budget 2020/21**

- 6.1 The original Revenue Budget approved by the City Council on 11 February 2020 was £174,558,400 and was relying on a draw down from General Reserves of £2.6m.

- 6.2 The Cabinet has received regular quarterly Budget Monitoring reports on the 2020/21 Budget throughout the year. Those forecasts have consistently reported a forecast overspend associated with the impact of COVID-19 but offset by a forecast underspending across other activities of the Council. The most recent report to Cabinet and Full Council in December 2020 reported an overall forecast overspend of £1.3m comprised as follows:

- Forecast overspend in relation to COVID-19 (after all Government funding) of £5.4m but offset by
- Forecast underspend elsewhere across the Council of £4.1m.

That report also made recommendations to implement a Deficit Recovery Strategy, identifying Council funding of £11.9m in order to cover both the expected and pessimistic scenarios of the impact of COVID-19.

- 6.3 The impact of COVID has been the defining factor in shaping the Revised Budget. As mentioned, the Council has identified £11.9m of its own resources to help support the overall financial impact of COVID-19. This funding is critical for both the current

year and next year as the Council continues to experience the financial effects of the emergency itself and any longer lasting legacy into future years.

- 6.4 The Original Budget has now been comprehensively revised and it is proposed to increase the Budget to £221,036,400, an increase of £46,448,000 or 27%. The majority of the spending increase relates to COVID-19 and has been more than offset in the current year by additional Government funding amounting to £49,392,200. However, £3.4m of this grant funding is for deficits in Council Tax and Business Rate income (recompensed at 75% under the Government grant scheme) which are accounted for in the following financial year.
- 6.5 Accordingly, significant changes to the Original Budget now being proposed as part of the Revised Budget are as follows:

#### Budget Increases

- Setting aside funding for the loss of Business Rate income due to the Expanded Retail & Nursery Relief schemes (i.e. the deficit will arise in 2021/22) - £22.5m
- Setting aside funding for the loss of Business Rate income and Council Tax income directly related to COVID-19 (i.e. the deficits will arise in 2021/22, 2022/23 and 2023/24) - £3.4m
- Increase in the Council's contingency, where all COVID costs and income losses are currently budgeted for - £21.3m
- Setting aside funding for the future impact of COVID-19 into 2021/22 and 2022/23 - £12.4m

#### Budget Reductions / Increases in Funding

- Transfer of funding to support the Deficit Recovery Strategy - £6.9m (the Deficit Recovery Strategy amounts in total to £11.9m but £5.0m was already contained within the existing budget for Contingency)
- COVID Grant Funding of £54.4m as follows:
  - Additional costs across Services - £19.4m
  - Lost income (compensated at circa 70% on defined income streams) - £9.1m
  - Losses of funding (75% compensation for Business Rates and Council Tax) - £3.4m
  - Specific compensation lost Business Rate income arising from the Expanded Retail & Nursery Relief schemes - £22.5m
- Improvement in Treasury Management activities of £2.0m

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

## **7. Revised Cash Limits 2020/21**

- 7.1 The Cash Limits relate to that element of the Budget that is Portfolio and Service related and is controllable. Cash Limits are allocated to Portfolio Holders and Managers to spend so that there is clear accountability for spending decisions.
- 7.2 The Cash Limits for 2020/21 have been revised to take account of:
- Items released from Contingency in the current year
  - Windfall savings and windfall costs
  - Passporting of grants that were received for new burdens or specific purposes
  - Adjustments to reflect forecast underspends, transfers to / from Portfolio reserves, additional unavoidable costs and other City Council decisions throughout the year
- 7.3 The table below sets out the revised Cash Limits for 2020/21 and those items outside the Cash Limit (e.g. capital and similar charges, levies and insurance premiums), which together form the Revised Budget for each Portfolio.

<b>PORTFOLIO</b>	<b>Revised Cash Limits 2020/21 £'000</b>	<b>Items Outside the Cash Limit £'000</b>	<b>Revised Budget 2020/21 £'000</b>
Children, Families & Education	39,186	17,923	57,109
Communities & Central Services	19,566	6,647	26,213
Community Safety	2,933	556	3,489
Culture, Leisure & Economic Development	8,177	5,107	13,284
Environment & Climate Change	12,141	1,564	13,705
Health, Wellbeing & Social Care	45,947	5,035	50,982
Housing & Preventing Homelessness Leader	4,308 (30,280)	3,138 5,566	7,446 (24,714)
Planning Policy & City Development	1,374	0	1,374
Traffic & Transportation	16,141	5,871	22,012
Licensing Committee	(227)	102	(125)
<b>PORTFOLIO EXPENDITURE</b>	<b>119,266</b>	<b>51,509</b>	<b>170,774</b>

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

## **8. Revenue Budget 2021/22**

- 8.1 At last year's Annual Budget Meeting in February 2020, forecasts for this coming financial year 2021/22 and the subsequent two financial years estimated that an overall 3 year savings requirement of £3.0m would be necessary to meet the budget deficits over that period.

- 8.2 Since those forecasts were prepared in February last year, the Council has now undertaken a Budget Consultation with residents and also received the Provisional Local Government Finance Settlement for 2021/22. The Local Government Finance Settlement is the term used to describe the main non-ring-fenced Revenue and Capital grant funding allocations from Government.

### **Budget Consultation**

- 8.3 As described earlier in this report the key responses arising from the Budget Consultation that have been used in formulating the Revenue Budget proposals for 2021/22 are as follows:

- ❖ 79% of respondents support an increase in Council Tax as opposed to cuts in Services
- ❖ A clear majority (67% of respondents) are also in support of an additional 3% Council Tax increase specifically to support social care services.
- ❖ The top three most important service areas for residents at present are, in order of popularity:
  1. Collecting rubbish and recycling
  2. Providing social care services for elderly people and those with disabilities and helping them to lead independent lives
  3. Providing social care services for vulnerable children and keeping them safe.

- 8.4 Details of the Provisional Local Government Finance Settlement plus all other funding, income and expenditure changes proposed within the Budget for 2020/21 are described in the following paragraphs.

### **Funding - Summary of the Local Government Finance Settlement**

- 8.5 In overall terms the provisional Local Government Settlement for the Council provides for the following:

- A 1 year Settlement only pending the forthcoming Comprehensive Spending Review
- A general increase in Government funding of 0.55%, in line with the Consumer Price index for September 2020
- A "one-off" Lower Tier Services grant - £0.5m
- Reduction in the New Homes Bonus Grant of £0.6m
- An increase in the Social Care Grant (to be distributed to both Adult and Children's Social Care) - £1.4m
- Cash flat allocation of the Improved Better Care Fund (including Winter Pressures Funding) for Adult Social Care
- Council Tax increase thresholds of:

- 2.0% for General Purposes
- 3.0% for Adult Social Care
- 2.0% for Fire & Rescue Authorities
- £15 for Police and Crime Commissioners
- COVID-19 Support as follows:
  - Emergency COVID-19 Grant - £6.6m
  - Continuation for the first 3 months of the year of the Sales, Fees & Charges compensation Scheme (funding circa. 70% of lost income streams excluding commercial property)
  - A Local Council Tax Support Grant (to compensate for rises in claimant demand) - £1.7m

8.6 Based on the Provisional Local Government Finance Settlement and a comprehensive review of all other estimates of funding, income and expenditure for 2021/22 and the following 3 years, the approved savings requirement for 2021/22 of £1.0m remains prudent but only on the basis of the Council Tax proposals set out within this report. Given what is known, or reasonably expected, regarding future funding and given future uncertainties, a savings requirement of less than £1.0m for 2021/22 would not be prudent.

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

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

### **Funding - Retained Business Rates 2020/21 & Future Forecasts**

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

- i) Retention of 50%<sup>4</sup> of all business rates received and which is affected by the value of successful appeals, the number of mandatory reliefs (e.g. charitable relief) and the overall collection rate (i.e. how much is uncollectable and written off)
- ii) Increased by a fixed amount "top up" which increases annually by the rate of inflation

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<sup>4</sup> 49% To the City Council and 1% to the Hampshire and Isle of Wight Fire & Rescue Authority



- iii) Compensation through S.31 Grants for national government initiatives which have the effect of reducing Business Rates to the Local Authority such as business rate capping for small businesses
  - iv) A "safety net" set at 7.5% below a pre-determined baseline below which retained Business Rates will not fall
- 8.10 In 2017/18 the National Non Domestic Rate system was subject to a re-valuation. This revised both the rateable values and the multiplier. The entire re-valuation is financially neutral at a national level with the increase in rateable values overall offset by a reduction in the multiplier.
- 8.11 The impact of the Business Rate re-valuation is likewise intended to be financially neutral on the Business Rate retention system that funds Local Authorities. Inevitably, this will not be the case and there will be "winners" and "losers" across the country. The key risk is the extent to which successful appeals are greater or less than the assumed allowance for appeals contained within the new multiplier set by Government.
- 8.12 In total, for 2021/22, Retained Business Rates are estimated at £30.7m<sup>5</sup> and which includes a surplus relating to previous year of £22.6m arising mainly from the Expanded Retail and Nursey relief schemes.
- 8.13 The estimation of Business Rate receipts is extremely complex, with the potential to be volatile and with many of the factors outside this Council's control. In particular, the Valuation Office Agency will both determine whether a rating appeal is successful and the level of reduction granted with the Council having no right of challenge. To help mitigate against this risk, the Council maintains a reserve to provide the Council with a degree of funding stability in the event of fluctuations within and between years.
- 8.14 Despite the complications and risks associated with appeals, there remains the financial incentive within the system for many Local Authorities (including Portsmouth<sup>6</sup>) to generate economic growth and job creation. Irrespective of the financial incentive, the Council's Medium Term Financial Strategy is aimed at reducing the need for Council Services generally and therefore growth, jobs and prosperity are vital to achieve that.
- 8.15 From 2021/22, there is expected to be a new national Business Rate Retention Scheme, the details of which are not yet known. The introduction of the new scheme will be accompanied by a "Reset" which will remove all current business rate growth currently being enjoyed by authorities and which for the Council amounts to £4.8m<sup>7</sup>.
- 8.16 The Business Rate growth enjoyed by all councils will be removed from councils, aggregated and then re-distributed based on "Need" through the Fair Funding review. If the Council's "Relative Needs" have increased by more than the average of all other Council's then the Council will be a "winner " in terms of the re-distribution and vice versa.

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<sup>5</sup> Includes Retained Business Rates £41,039,126, "Top Up" £6,952,434, a deficit on the Collection Fund of £22,553,209 plus S.31 Grants of £5,291,959 for compensation due to national Government business rate relief initiatives

<sup>6</sup> Applies to Local Authorities that, in general, remain above the safety net threshold over time

<sup>7</sup> Based on 2021/22 Estimates in a 50% Business Rate Retention Scheme

## **Funding - Council Tax Proposals 2021/22 & Future Years**

### *Council Tax Amount*

- 8.17 The Council has a relatively low taxbase and a relatively low tax charge. That means that both the average Council Tax band is low and the amount of Council Tax charged to residents is also low compared with our statistical neighbours. By illustration, the Council receives circa £6.0m per annum less in Council Tax than the average Unitary Authority within its statistical neighbour group.
- 8.18 The level of Council Tax charged is an important factor in relation to the Fair Funding review, which will make a deduction to a Local Authority's overall funding allocation in respect of the amount that can be raised locally through Council Tax. The Council's past decisions to maintain a low level of Council Tax have been, and are expected to continue to be a disadvantage in relation to the Council's funding allocation after the Fair Funding Review. This is because the funding formula is expected to continue to make a deduction based on a *national average level of Council Tax* which is currently significantly higher than that of Portsmouth, resulting in a higher deduction than the Council currently raises in Council Tax.
- 8.19 Council Tax currently represents 51% of the Council's total revenue funding and as Government funding has reduced, this has become an increasingly more important and dependent funding source for the Council.
- 8.20 Council Tax for the average Council Tax payer in Portsmouth (Band B) currently amounts to £1,347.82, of which £1,129.64 (84%) is the City Council element. Not all residents are subject to the full amount of Council Tax with many benefitting from exemptions and discounts (such as the single person discount) and a significant number of residents receiving Local Council Tax Support bringing the level of Council Tax payable to an assessed affordable level. After discounts, exemptions and Local Council Tax support is taken into account, circa 52% of all properties are subject to the full level of Council Tax.
- 8.21 The Provisional Local Government Finance Settlement for 2020/21 confirmed a Council Tax increase limit for general purposes (i.e. referendum threshold) of 2%. Any increase beyond the 2% threshold can only be implemented following a "Yes" vote in a local referendum.
- 8.22 As described more fully later in this report, the actual level of inflation for the Council in 2021/22, taking into account price rises that the Council is exposed to, significantly exceeds the level of increase allowed in the Council Tax. The Council's estimated inflation amounts to 2.0%.
- 8.23 The additional flexibility to apply a Council Tax increase for the Adult Social Care Precept has been provided in recognition of the extreme cost pressures facing Adult Social Care, both through the increase in the National Living Wage (which has increased by 2.2% and affects the Council's contracts with Care Providers for Adults) as well as the demographic pressures from general aging and a "living longer" population.

- 8.24 For Portsmouth City Council, it is vital that the flexibility of the Adult Social Care Precept is taken in order to mitigate the current underlying deficit in Adult Social Care currently standing at circa £5.0m. The alternative would be to increase the level of savings required by the Service.
- 8.25 Given the scale of the inflationary and other demographic pressures in Adult Social Care and in accordance with the results of the Budget Consultation, it is proposed that:
- i) The Council Tax for General Purposes be increased by 1.99% for 2021/22, representing 43p per week for a Band B tax payer and yielding £1.6m
  - ii) Adult Social Care precept be increased by 3.0% for 2021/22, representing 65p per week for a Band B tax payer and yielding £2.5m to be passported direct to Adult Social Care.
- 8.26 Given the extent of the unfunded cost pressures in Adult Social Care, both present and emerging, it is recommended that the Council increase the Council Tax for the Adult Social Care Precept by 3.0%. Setting a precept at a lower sum will inevitably result in additional service reductions to Adult Social Care services in 2021/22, this decision therefore will be critical for Adult Social Care services and the wider health system in the City.
- 8.27 The Council could elect not to increase the level of Council Tax by 4.99% but if it chose to do so would need to identify additional savings over and above the £2.5m savings approved by the City Council in February 2020. For every 1% reduction in Council Tax, additional savings of £820,400 will be required.
- 8.28 The Council's future forecasts for the period 2022/23 to 2024/25 have been estimated on the following basis:
- i) General Purposes - 1.99% rise each year
  - ii) Adult Social Care Precept - No further increases thereafter

#### *Council Tax Base*

- 8.29 The Council Tax Base (i.e. the number of Band D equivalent properties paying the full Council Tax) has been determined as **56,487.9** for 2021/22.

#### *Collection Fund Balance (Council Tax Element) 2020/21*

- 8.30 The Collection Fund is the account into which are paid amounts collected in respect of Council Tax and out of which are paid the Council Tax precepts to:
- Portsmouth City Council (83.8% share)
  - Hampshire Police & Crime Commissioner (12.2% share)
  - Hampshire and Isle of Wight Fire & Rescue Service (4.0% share)



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

- 8.31 For 2020/21, it is estimated that there will be a deficit on the Collection Fund of £977,912 which will be shared in proportion to the 2020/21 precepts and distributed to the preceptors as follows:

<b>Collection Fund Surplus - 2019/20</b>		
<b>Preceptor</b>	<b>Distribution</b>	
	<b>£</b>	<b>%</b>
Portsmouth City Council	819,610	83.8%
Hampshire Police & Crime Commissioner	119,330	12.2%
Hampshire and Isle of Wight Fire & Rescue Service	38,972	4.0%
<b>Total Deficit 2019/20</b>	<b>977,912</b>	<b>100.0%</b>

The Portsmouth City Council Share of the surplus of £819,610 is factored into the overall Council Tax income for 2021/22.

*Total Council Tax Income 2020/21 & Future Years*

- 8.32 Considering the Council Tax increase, Council Tax Base and surplus on the Collection Fund, the total Council Tax income for 2021/22 is estimated at £85,317,094.
- 8.33 As Government funding reduces, rises in Council Tax income are fundamental to the Council's future financial position and therefore the future sustainability of Council Services. The Council's Medium Term Financial Forecast assumes that Council Tax Income will rise to £92,894,983 by 2024/25 and is based on the following assumptions:

- Increase in the amount of Council Tax of 4.99% for 2021/22
- Increases of 1.99% per annum from 2022/23 onwards

*Funding Summary*

- 8.34 Over the 4 year period of the Council's forecast, funding is anticipated to rise by just 5.3% (or an average of 1.3% p.a.), reflecting the estimated impact of a depression in Council Tax and Business Rates as the country recovers from the COVID-19 pandemic, and an expected loss from the Business Rate Retention "reset" which is expected to remove £4.8m of Business Rate Growth which is not fully offset by its re-distribution for "Need" through the Fair Funding Review of Government Funding.

**Cumulative Effects of the Overall Local Government Funding System**

- 8.35 Over the past 10 years and including the coming year, the emphasis of the Local Government Funding system has changed considerably. There are clear financial

incentives for Local Authorities to promote business growth and increase employment. This is illustrated by the following:

- The Business Rates retention scheme allows the City Council to retain (for a period of time between "resets") circa £460,000 for every 1% increase in Business Rate growth (under the 50% BRR scheme). Equally, the City Council will lose £460,000 for every 1% decline in the Business Rate base
- The risk of increased numbers of households requiring financial support to pay their Council Tax (formerly Council Tax Benefit) falls on the City Council. The City Council therefore will be worse off if caseloads increase, and better off if caseloads fall. The estimated value of the Council Tax support for 2021/22 is £11.5m. Each 1% change therefore will represent a cost / saving of £115,000.

8.36 Whilst the Fair Funding Review and Business Rate Retention Scheme (to be introduced in 2022/23) may alter these incentives, it is still expected that they will remain significant given the continued drive to incentivise Local Councils to stimulate their local economies. It is important therefore that when the Council is developing policy and strategy and making its decisions, particularly relating to the Capital Programme, it is cognisant of these financial incentives.

### **Expenditure 2021/22**

#### *Budget & Inflationary Pressures 2021/22*

8.37 In November 2013 the Council resolved that, as part of a new financial framework providing for a more autonomous approach to financial management and involving the right for Portfolios to retain all underspendings, that Portfolios would be expected to manage any budget pressures.

8.38 The features of the financial framework include:

- i) Each Portfolio to retain 100% of any year-end underspending and it to be held in an earmarked reserve for the relevant Portfolio
- ii) The Portfolio Holder be responsible for approving any releases from their earmarked reserve in consultation with the Director of Finance & Resources (S.151 Officer)
- iii) That any retained underspend (held in an earmarked reserve) be used in the first instance to cover the following for the relevant Portfolio:
  - a) Any overspendings at the year-end
  - b) Any one-off Budget Pressures experienced by a Portfolio
  - c) Any on-going Budget Pressures experienced by a Portfolio whilst actions are formulated to permanently mitigate or manage the implications of such on-going budget pressures
  - d) Any items of a contingent nature that would historically have been funded from the Council's corporate contingency provision

- e) Spend to Save schemes, unless they are of a scale that is unaffordable by the earmarked reserve (albeit that the earmarked reserve may be used to make a contribution)

Once there is confidence that the instances in a) to e) can be satisfied, the earmarked reserve may be used for other developments or initiatives

- 8.39 Correspondingly, any Budget Pressures must be funded within the overall resources available to the Portfolio Holder (which includes their Portfolio Reserve).
- 8.40 Additionally, the Council's budget process provides each Portfolio with an allocation for inflation so that it is fully funded (excluding any savings requirements) to operate "steady state" services. Budget pressures are not funded (as described above) and tend to be related to additional burdens, additional demand or extraordinary price inflation.
- 8.41 Adult Social Care is currently carrying an underlying deficit of £5.0m. Having stabilised the Children's Social Care position over the past 2 years with additional funding of £7m, there remains now a forecast underlying deficit of £0.5m. Both services are also expected to experience further cost pressures in the future and these also have been recognised. Both Services have well developed financial sustainability strategies and plans to mitigate their current underlying budget deficits and their further cost pressures over the next 3 years which involve substantial savings but are consistent with their overall strategies as follows:
- Adult Social Care - To be addressed by an additional budget allocation of £2.8m in 2021/22, the delivery of a developed savings plan of £1.7m and the use of their Transformation Fund of £0.5m
  - Children's Social Care - To be addressed through the delivery of their Financial Sustainability Strategy driving savings of £0.5m through early help and intervention, supporting families, improving placement stability and reunification and therefore an overall reduction in the number and cost of Looked After Children
- 8.42 The additional £2.8m funding for Adult Social Care is crucial at this time, it will provide some stability at a time when the health system as a whole is under extreme pressure. The funding will provide people with care and support needs in their daily lives and enable better mental health. Helping Adult Social Care to meet care needs and working with our partners in the NHS locally and regionally enables people with mental health needs to access the services that support them and contributes to better population health.
- 8.43 Risks remain to the delivery of both the Adult and Children's Social Care financial sustainability strategies and these will be managed as an integral part of their implementation, however adequate corporate contingency provision will be made to cover those risks to ensure that the overall Council Budget remains robust.
- 8.44 Budget pressures within all other Services of the Council are expected to be able to be managed within their overall cash limit with any necessary support from the

Council's corporate Contingency or Portfolio Reserve to enable any such pressures to be managed over time.

### **New Spending Initiatives**

- 8.45 The Administration propose to mainstream the existing 2 Food Waste Recycling rounds into the base budget (currently funded from the Cabinet Reserve) at a cost of £300,000 per annum. As described later in this report, this requires that the Council's Savings requirements increase from £1m to £1.3m.
- 8.46 Additionally, there are proposals to the Cabinet Meeting of 02 February 2021 to extend the Food Waste Recycling trials by a further 2 rounds from September 2021 such that the overall service covers circa two thirds of the City. This extension is subject to the following:
- i) Approval of the current 2 Food Waste Recycling rounds being built into base budgets at a cost of £300,000 (including the associated necessary savings) as proposed in this report
  - ii) Approval of the Capital Scheme to fund the associated Capital Costs of £340,000 (which includes 2 additional waste vehicles, additional bins and receptacles plus project costs) as proposed in this report

### **Revenue Contributions to Capital**

- 8.47 As described in detail later in this report, new Capital Investment totalling £35.8m is proposed. This level of investment relies on a number of funding sources provided either by the Council or from external grants and contributions. For 2021/22, £21.6m is being provided by the Council in the form of "cash backed" funding with a further £3m from Council borrowing.
- 8.48 The proposed Capital Programme for next year is ambitious and looks to the longer term. It seeks to meet the Council's statutory responsibilities, further the environmental agenda and maintain and upgrade operational and community buildings. The level of investment proposed is beyond the Capital Resources available to the Council and therefore it is proposed to make a further Revenue Contribution to Capital of £4.234m.
- 8.49 Affordability constraints are expected to continue in the future, to address both the Administration's aspirations and the Council's future statutory obligations. Future Revenue Contributions to the Capital Programme will inevitably be required. Whilst bidding for external capital funding will always form part of the strategy to fund Capital Investment requirements, not all investments will be either eligible or successful. The scale of the funding required for these future obligations and aspirations is in excess of £50m over the medium term. Contrast that with the annual capital grant funding, capital receipts and CIL contributions that the Council receives (circa £7m per annum) and there is a hugely significant shortfall ("Capital Gap") to be met.
- 8.50 Given that this Capital Investment is necessary for both the Council's statutory obligations and also to transform the City's growth potential, it is vital that the Council makes provision for Revenue Contributions to Capital wherever possible. To fulfil

even some of the future obligations and aspirations, further revenue contributions to capital will be required in future years and will need to be embedded within the Council's financial planning process.

- 8.51 The Council's future forecasts assume that £3.5m will be available in future years from the Revenue Budget. It is further proposed that the "standing recommendation" that any underspendings arising at the year-end outside of those made by Portfolios be transferred to Capital Resources in order to provide funding for known and potential future commitments in future years such as Special Educational Need (SEN) School Places, Sea Defences (enhancements to core scheme), Expansion of Food Waste Recycling, Environmental Improvements, Transport Improvements, Affordable Housing, City Wide Regeneration, Digital Infrastructure and the maintenance of the Council's Core Operational Assets, for which there is currently insufficient funding.

## 9. Budget Savings Proposals for 2021/22

- 9.1 The Administration's budget savings proposals are aligned with the Medium Term Financial Strategy previously described in Section 5 and have been prepared paying due regard to the responses from the Budget Consultation described previously and the Administration's strategic priorities. The proposed savings amounts to be made by each Portfolio, and which are recommended for approval, are attached at Appendix C.
- 9.2 Additionally no savings are proposed from the Environment and Climate Change Portfolio, Community Safety Portfolio or the Planning Policy Portfolio in accordance with the Administration's priorities.
- 9.3 A summary of the overall savings proposals for 2021/22, by Portfolio, is set out below.

PORTFOLIO	Saving 2021/22	
	£	%
Children, Families and Education	140,000	0.4%
Communities and Central Services	348,000	1.8%
Community Safety	10,000	0.3%
Culture, Leisure and Economic Development	20,000	0.2%
Environment and Climate Change	0	0.0%
Health, Wellbeing and Social Care*	300,000	0.7%
Housing and Preventing Homelessness	0	0.0%
Leader	40,000	-0.1%
Planning Policy and City Development	0	0.0%
Traffic and Transportation	142,000	0.9%
Other Expenditure	300,000	75.0%
<b>GRAND TOTAL</b>	<b>1,300,000</b>	<b>1.1%</b>

**\* Excludes the additional funding passported through the Adult Social Care Precept £2.5m and the additional £0.3m of further funding provided, meaning that there is a real increase in Adult Social Care funding**

- 9.4 Inevitably, there are a number of financial risks contained within the proposals for making savings of the scale of £1.3m (or 1.1%) on the back of making £103m in savings and efficiencies over the past 10 years. The risks are unavoidable. For those risks with the highest likely impact, mitigation strategies are being developed.
- 9.5 It is important to note that the Council's responsibility is to set the overall Budget of the Council and determine the cash limits for each Portfolio. It is not the responsibility of the Council to approve the detailed savings that need to be made in order for the Portfolio to meet its cash limit. The Council do need to have the confidence that the recommended savings for each Portfolio are deliverable and what the likely impact of delivering those savings might be. Indicative savings that are likely to be necessary in delivering the overall Portfolio savings are attached at Appendix C and whilst the detailed savings are not a matter for the Council to decide, they are presented to inform the decision of Council relating to the overall savings to be made by each Portfolio / Committee.
- 9.6 In order for the City Council to be able to implement the Savings Requirement in good time, a number of savings proposals will require that consultation take place and notice periods be given. Should the Portfolio savings set out in paragraph 9.33 above be approved, Managers will commence the implementation of those savings and any consultation process or notice periods necessary.
- 9.7 For savings proposals that require consultation, the actual method of implementation or their distributional effect will not be determined until the results of consultation have been fully considered. Following consultation, the relevant Portfolio Holder may alter, amend or substitute any of the indicative savings proposal(s) set out in Appendix C with alternative proposal(s) amounting to the same value.

## **10. Summary of Proposed Revenue Budget 2021/22**

- 10.1 The proposed Budget for 2021/22 has been prepared to include the following:

### **Spending 2021/22:**

- Additional funding of £0.3m to provide mainstream funding for 2 rounds of Food Waste Recycling
- Additional Funding for Adult Social Care recognising the need to meet demographic pressures and the extraordinary inflationary costs associated with the National Living Wage - £2.8m
- Additional spending power for Children's Social Care of £0.9m, made possible by the re-imbursment of proper funding for Unaccompanied Asylum Seekers which had previously been funded by the Council (as part of the previous award of £7m additional funding)
- An overall allowance for inflation of 2.0% across services amounting to £2.3m

- A total of £6.2m of contributions from Revenue and Reserves to the Capital Programme to enable the Council to meet its essential Capital Investment needs
- Overall contingency provision to cover known and anticipated financial risks of the Council amounting to £26.3m (£10.3m in 2020/21), especially those relating to COVID-19, Brexit, increases in demand for Adult & Children's Social Care services, Emergency Repairs risks and the delivery of budget savings more generally
- Transfers from Earmarked Reserves of £30.9m originally set aside in 2020/21 for the Business Rate and Council Tax losses previously described (incl. Extended Retail & Nursery Reliefs and other COVID related losses)
- A transfer of £3.0m (following the withdrawal of £5m in 2020/21) to the MTRS Reserve in order to replenish it to levels sufficient to be capable of meeting future Spend to Save initiatives
- Adjustments to pension costs, forecast borrowing costs and investment rates
- The £1.3m savings proposals

### **Funding 2021/22:**

- An overall reduction in funding of £13.4m relating mainly to the reduction in Emergency COVID-19 Grants, underlying funding from Government has increased by £1.4m arising from the increase in the Social Care Grant.
- An underlying reduction in Business Rate Income of £1m
- An overall increase in Council Tax of 4.99%, yielding £4.2m but offset by a reduction in the Council Tax base equivalent to 1,247.3 Band D properties, with a consequent reduction in income of £1.9m (relating mainly to the increased demand for the Local Council Tax Support scheme and a reduction in the collection rate)
- Overall "one-off" deficit on the Collection Fund attributable to the City Council amounting to £23.4m, representing a deficit on Council Tax of £0.8m and a deficit on Business Rates retained of £22.6m

10.2 The proposed Budget for 2021/22, including the main changes described above results in net spending of £161,334,100. This amounts to a net reduction in spending of £13,254,300 (or 7.6%) less the Original Budget 2020/21.

10.3 The proposed Budget for 2021/22 as described in this Section is recommended for approval.

## **11. Cash Limits**

11.1 As previously described, Cash Limits relate to that element of the Budget that is Portfolio and Service specific and which is controllable. Cash Limits have been prepared to reflect all changes set out in the proposed Budget for 2021/22 described in Section 10 and in particular include:

- Reductions to Cash Limits to take out the approved Budget savings
- Additions to reflect new initiatives and budget pressures

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

11.2 The table below shows the proposed Cash Limits for 2021/22 and also those items outside Cash Limits (i.e. capital and similar charges, levies and insurance premiums), which together form the Budget for each service.

<b>PORTFOLIO</b>	<b>Cash Limits 2021/22 £'000</b>	<b>Items Outside the Cash Limit £'000</b>	<b>Budget 2021/22 £'000</b>
Children, Families & Education	38,506	17,923	56,429
Communities & Central Services	18,568	6,712	25,280
Community Safety	2,196	556	2,752
Culture, Leisure & Economic Development	8,004	5,107	13,111
Environment & Climate Change	12,186	1,566	13,752
Health, Wellbeing & Social Care	49,412	5,034	54,446
Housing & Preventing Homelessness Leader	4,284 (31,274)	3,138 5,566	7,422 (25,708)
Planning Policy & City Development	1,229	0	1,229
Traffic & Transportation Licensing Committee	15,226 (229)	5,871 102	21,097 (127)
<b>PORTFOLIO EXPENDITURE</b>	<b>118,108</b>	<b>51,575</b>	<b>169,683</b>

11.3 Managers will be expected to contain their expenditure in 2021/22 within Cash Limits and to regularly monitor their budgets to ensure this is achieved. Managers will continue to have the freedom to change their budgets within the Cash Limit in the year, provided they do not enter into commitments which would increase their expenditure in future years beyond the agreed Cash Limit for 2021/22, but mindful of the requirement to make savings in future years.

11.4 As set out in the Council's Financial Rules, any overspends against the current year's Cash Limit will become the first call on any retained underspendings from previous years contained within a Portfolio's Earmarked Reserve. Should a Portfolio's Earmarked Reserve be depleted, any remaining overspend will be deducted from the 2022/23 Cash Limit.

11.5 Managers have delegated authority to incur committed routine expenditure within their approved Cash Limit. Routine expenditure is any expenditure incurred to meet the day-to-day operational requirements of the service, or any specific approved budget pressure. Managers wishing to incur expenditure on any other specific item

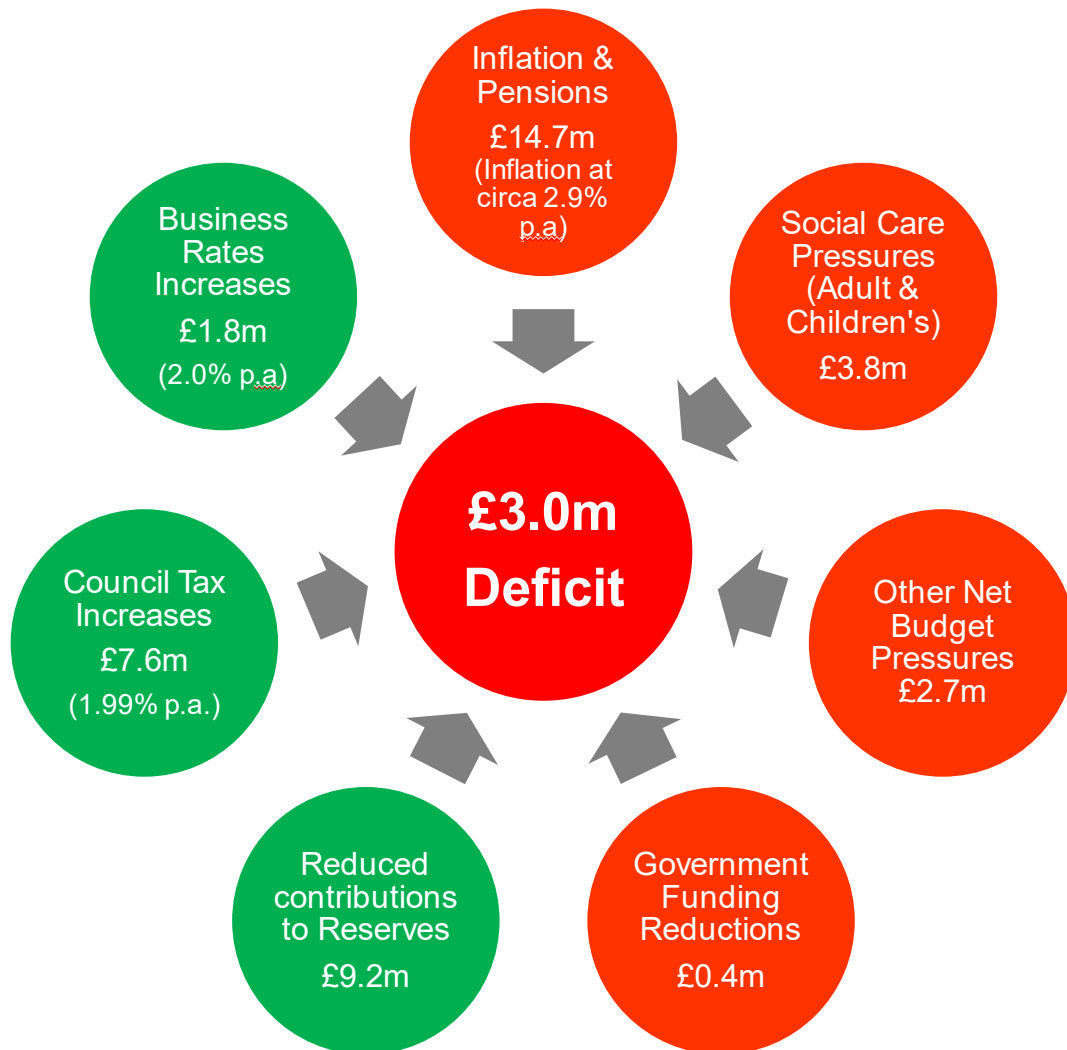


should seek approval from the relevant Portfolio holder before incurring that expenditure.

- 11.6 These Cash Limits will be adjusted under the delegated authority of the S.151 Officer to reflect transfers of budgets that come to light after the Budget has been approved, such as changes to the assumptions on inflation rates and any other virements.
- 11.7 Managers will be required to report their forecast outturn position to the relevant Portfolio holder on a regular basis and the Cabinet will receive a report on the overall budget position every quarter.

## **12. Future Year's Medium Term Forecasts - 2022/23, 2023/24, and 2024/25**

- 12.1 A new medium term forecast has now been completed and "rolled on" a further year to cover the period 2022/23 to 2024/25. All of the financial assumptions have been comprehensively revised and a savings requirement for the new period determined.
- 12.2 The previous medium term forecast estimated that savings of £3.0m would be required across the previous 3 year period 2021/22 to 2023/24. The proposed Revenue Budget for 2020/21 provides for £1.0m of those savings that, based on the "old" forecast, would have left a residual £2m remaining to be found for the following 2 years.
- 12.3 The new medium term forecast takes account of the £1.0m savings being achieved in 2021/22, comprehensively revises the remaining £2m that was estimated to be required and makes a forecast for the additional year 2024/25. It is now estimated that the savings required for the new 3 year period 2022/23 to 2024/25 will now be £3.0m (or £6m cumulatively over the period) as described in the paragraphs that follow.
- 12.4 The most significant changes that will affect Local Government and the Council through the period 2022/23 to 2024/25 are as follows:



12.5 The most significant assumptions in the medium term forecasts for the period 2022/23 to 2024/25 are described below:

**Spending:**

- An overall composite inflationary provision covering all pay and prices at circa 2.9% per annum for the period plus additional pension obligations, in total amounting to £14.7m
- Some provision for the potential on-going risks associated with future demographic and other volume related budget pressures within Adult and Children's Social Care
- Revenue Contributions to Capital reducing to £3.5m in 2022/23 and to zero by 2023/24 onwards
- An assumption of a "steady state" for other budgets

**Funding:**



- Reductions in overall general Government funding from 2022/23 onwards amounting to £0.4m over the period, representing a £1.5m reduction in funding associated with the Fair Funding Review and Business Rate Retention "reset" but offset by inflationary uplifts of 2.0% per annum
- A 1.99% increase in Council Tax per annum from 2022/23 onwards accompanied by an improving taxbase, in total yielding £7.6m
- Non recurrence of the current deficit on the Collection Fund
- Indexation uplifts on retained Business Rates of 2.0% per annum from 2022/23 onwards
- An underlying zero growth assumption for changes in Business Rates from 2022/23 onwards, to reflect the uncertainty relating to any recession / recovery, material changes of use of property, appeals and mandatory reliefs
- That any loss of business rates income arising from National Business Rate reduction / capping initiatives will continue to be recompensed by Government via S.31 grant funding
- Recovery of the Port dividend to pre-pandemic levels by 2024/25

12.6 It is important to recognise that this forecast extends beyond the multi-year Spending Review planned for the coming year, the Fair Funding Review and the revised Business Rate Retention Scheme due to be implemented in 2022/23. It also moves 2 years beyond these events and makes broad assumptions at the macroeconomic level pending any indicative information at the local level. Consequently there remains a significant level of uncertainty surrounding the £3.0m forecast deficit which could realistically vary between +/- £3m.

12.7 Due to the uncertain nature of the future years' forecasts it is imperative that the Council continues to plan for £1.0m of savings per annum as well as maintaining sufficient General Reserves. This is a balanced approach appropriate to an eventuality where the Council's forecasts are either too pessimistic or too optimistic. For example, in the event that the 3 year forecast improves, the Council has not prematurely made a level of savings and service reductions that could have been avoided and it allows more time for savings initiatives to take effect. If the forecast deteriorates, the Council will have made good progress towards the necessary savings and have sufficient General Reserves to avoid significant "spikes" in Savings Requirements in any single year in the future.

12.8 Crucially, this savings strategy, as described above, can only work if the Council retains General Reserves at the levels set out in this report.

12.9 In summary, the overall forecast budget deficit and therefore savings requirement has been maintained at £1.0m per annum the forecast has been "rolled on" to now include a deficit in 2024/25 also of £1.0m. The overall forecast budget deficit and savings requirement for the 3 year period 2022/23 to 2024/25 is £3.0m. Importantly, this level of budget deficit can only be maintained if the Council approves the proposed net £1.0m of savings as well as the increase in Council Tax of 4.99% for 2021/22.

- 12.10 The medium term financial forecasts are set out as part of the General Fund Summary in Appendix A but in a more summarised fashion in Appendix B.
- 12.11 The fundamental aim of the Medium Term Resource Strategy (MTRS) is for in-year expenditure to equal in-year income. The proposed Savings Requirements set out below have been set to accord with that aim and also with the minimum level of General Balances that the Council is required to hold based on its risk profile.
- 12.12 The Savings Requirements recommended below have been phased to have regard to a managed reduction in spending and service provision over a realistic period:

	<b>Revised Underlying Budget Deficit £m</b>	<b>Revised In Year Target £m</b>	<b>Revised Cumulative Saving £m</b>
2022/23	1.9	1.0	1.0
2023/24	3.4	1.0	2.0
2024/25	2.9	1.0	3.0

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

### **13. Medium Term Resource Strategy Reserve**

- 13.1 The Medium Term Resource Strategy (MTRS) Reserve was originally established to fund:
- Spend to Save and Spend to Avoid Cost initiatives
  - Invest to Save capital schemes
  - Feasibility Studies where there is likely to be an efficiency gain
  - One-off redundancy costs arising from proposed savings
  - The funding of expenditure of a “one-off” nature that is critical to the successful achievement of the outcomes that the residents of Portsmouth value most highly and where no other alternative funding source is available
- 13.2 Historically, the reserve has been replenished by transfers of underspends from previous years. Under the new financial framework of retained underspendings by Portfolios, the opportunities for replenishing this reserve are now diminished. The calls on the reserve however, for smaller scale Spend to Save or Invest to Save schemes are also diminished, since these are funded from Portfolio Reserves where available. It is important that the reserve is maintained to fund larger scale Spend to Save schemes that would otherwise be unaffordable by a Portfolio.
- 13.3 It is anticipated that the main call on the MTRS Reserve over the next few years will be Invest to Save Schemes of a capital nature and the revenue costs associated with

transforming Services. Additionally, redundancy costs will also be required, arising out of the savings needed to meet the £3.0m forecast Budget deficit.

- 13.4 In order to provide for future years anticipated redundancy costs (i.e. over the course of the coming year and the further 3 year forecast), satisfy the demands for Invest to Save Schemes and meet all other commitments, it is anticipated that the uncommitted balance on the MTRS Reserve will be a modest £4.8m. Importantly, Invest to Save (avoid cost) proposals are becoming an increasingly important component of the Capital Programme and it can reasonably be expected that future Capital Programmes will rely more heavily of this as a funding source in the future (e.g. a transfer of £5.978m in 2020/21).
- 13.5 In future years, for this reserve to continue in this capacity, it will be necessary to replenish it either from non-Portfolio underspends or alternatively from the Revenue Budget.

#### **14. Estimated General Reserves 2020/21 to 2024/25**

- 14.1 In general, maintaining adequate reserves is a measure of responsible financial management and strong financial health. They are required in order to be able to respond to "financial shocks" without having to revert to the alternative of quick and severe reductions in services. Equally, they can be a vehicle to take advantage of any opportunities that may arise which are in the financial interests of the Council (for example, matched funding opportunities which could lever in additional funding for the City or for Spend to Save schemes). Importantly, they also enable differences between expenditure and funding levels to be "smoothed out" and managed in a planned way over time.
- 14.2 General Fund Revenue Reserves as at 31 March 2021 (Revised Estimate) are anticipated to be £23.4 after transfers to and from other reserves although falling back to historic levels of circa £20m by 31 March 2023. The Council is expected therefore to remain within the approved level of minimum General Reserves of £8.0m.
- 14.3 In accordance with Best Practice, the level and nature of all revenue reserves and balances has been reviewed as part of the budget process. The exercise has attempted to identify and assess all of the City Council's potential financial risks over the next few years in order to determine the prudent level of balances that should be retained, based on the City Council's risk profile. Each risk has been considered alongside the probability of it happening.
- 14.4 The outcome shows that for 2021/22 the City Council should continue to hold a minimum of £8.0m in General Reserves to cover these major risks. It is therefore recommended that the minimum level of General Reserves be maintained at £8.0m as at March 2022. Assuming the savings required to fund the forecast deficit in 2021/22 are achieved, General Reserves as at 31 March 2022 are forecast to be £21.3m.
- 14.5 The minimum level of balances for 2022/23 and future years will be reviewed annually as part of the budget process.

14.6 The statement below gives details of the General Reserves in hand at 01 April 2020, together with the proposed use of reserves from 2020/21 to 2024/25, and the resultant balances at 31 March 2025 **assuming that the target savings recommended in Section 12 are achieved.**

<b>GENERAL RESERVES FORECAST - Up to 2024/25</b>					
<b>Financial Year</b>	<b>Current Year £m</b>	<b>Budget 2021/22 £m</b>	<b>Forecast 2022/23 £m</b>	<b>Forecast 2023/24 £m</b>	<b>Forecast 2024/25 £m</b>
<b>Opening Balance</b>	23.0	23.4	21.3	20.5	19.0
<b>In Year Surplus / (Deficit)</b>	0.4	(2.1)	(0.8)	(1.5)	0.1
<b>FORECAST BALANCE</b>	<b>23.4</b>	<b>21.3</b>	<b>20.5</b>	<b>19.0</b>	<b>19.1</b>

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

- The Council is not permitted to budget for a level of General Reserves below the minimum level determined by the S.151 Officer
- There remain continuing risks associated with the COVID pandemic and its legacy, the financial sustainability plans for both Adult and Children's Social Care and the wholesale review of Local Government funding.
- The balances are predicated on total savings (as yet unidentified) of £6.0m (cumulative) being achieved over the next 3 years. If those savings are not made, balances would be reduced by £6.0m by 31 March 2025.
- It is a crucial part of the strategy to mitigate against the uncertainty of the Fair Funding Review in 2022/23 in order to avoid potentially significant "spikes" in savings requirements in any single year (as described in Section 12 above)
- The uncertainty over the level of funding generally (in particular retained Business Rates), demographic cost pressures for care services, inflation and interest rates in future years
- The uncommitted balance available in the MTRS reserve of just £4.8m<sup>8</sup> means there are only limited funds available to fund the implementation costs of future efficiency savings (see Section 13)

14.8 Furthermore, the City Council is pursuing a number of initiatives that will rely temporarily on the use of the Council's reserves generally in order to deliver them in a more cost efficient way (i.e. as opposed to borrowing). Examples include, the City Deal and Dunsbury Hill Farm. In the current climate where borrowing rates are significantly greater than investment rates, it makes financial sense to utilise General Balances and Reserves (that would otherwise be invested until required) and defer any borrowing decisions to a later date once investment rates recover. Retaining

<sup>8</sup> Including the net transfers from the reserve of £5.0m in 2020/21 and the to the Reserve of £3.0m in 2021/22 contained within the recommendations

reserves therefore is an extremely important element of delivering the Council's Regeneration Strategy that will ultimately result in increased jobs, new homes and improved prosperity for the City.

## **15. Capital Programme 2020/21 to 2025/26**

### **Summary**

- 15.1 In accordance with the Council's Capital Strategy and Medium Term Financial Strategy, the Administration have prioritised those schemes that meet the Council's statutory responsibilities and that are most likely to drive cost reduction for the Council, innovation and clean economic growth and productivity for the City.
- 15.2 As described earlier in this report the key responses arising from the Budget Consultation have also been used in formulating the new capital investment proposals. Those responses were as follows:
- ❖ The three most selected priority investment opportunities for the future were, in order of popularity:
    1. Making our rubbish and recycling collections more environmentally friendly
    2. Investing in facilities for walking and cycling, increasing sustainable travel
    3. Making urgent repairs to school buildings
- 15.3 The Administration's new scheme proposals contained within this report will lead to additional capital investment totalling £35.8m.
- 15.4 The Council has the opportunity through its capital programme and borrowing powers to invest in both the regeneration of the City and cost reduction schemes for the Council itself. Capital Investment needs and aspirations however, continue to significantly exceed the resources available. Importantly, there are likely to be opportunities throughout the year to lever in additional external capital funding for schemes that have strong potential to be catalytic for economic growth, but only if the Council itself can provide matched funding contributions. As a consequence, to maximise the Capital Investment opportunities for the City, the recommendations within this report propose that any further underspending which arises at year end, will also be used to supplement the Capital Resources available for 2021/22 and future years.

### **Overall Strategy**

- 15.5 On 17 March 2020 the City Council approved the Capital Strategy 2020/21 - 2029/30. The key features of that strategy, which have been considered in the development of the Administration's Capital Programme proposals, are as follows:
- Contribution to Council Plan / Priorities
  - Statutory Obligations
  - Financial Appraisal



- Option Appraisal
- Risk and approach to risk - the expected benefits must outweigh the risk
- Any overspendings on approved Capital Schemes being the first consideration for the use of any available capital resources

15.6 As also described in the Medium Term Financial Strategy, the strategy is to maximise the capital resources available and then target new capital expenditure towards income generation and economic growth whilst ensuring the Council's statutory obligations are also met, (e.g. school places).

15.7 The development of a Capital Strategy considers investments that will be made in the acquisition, creation or enhancement of tangible or intangible fixed assets in order to yield benefits to the Council for a period of more than one year. It also considers how stewardship, value for money, prudence, sustainability and affordability will be secured. The priority of new capital expenditure will be assessed in accordance with the following capital expenditure criteria:

***Criteria 1 - To support a Medium Term Outlook***

- Allocating known resources to future years for critical capital investment, ensuring that in years where capital resources are limited, critical investment can continue to be made
- Aligning known resources and spending, ensuring that uncertain or forecast resources are not applied to current investment, thus leaving potentially unfunded obligations in the future
- Smoothing out any significant gaps between capital investment needs and capital resources available by utilising contributions from revenue

***Criteria 2 - To maximise the capital resources available and the flexibility of their application***

- Setting aside capital funding for "match funding" opportunities, where these are aligned with the Council's strategic objectives in order to take advantage of "free" funding
- Reviewing contractually uncommitted schemes against newly emerging capital investment priorities
- Avoiding ring-fencing of capital resources, except where such ring fencing is statutory
- Using prudential borrowing for "invest to save" schemes, or schemes which generate income

***Criteria 3 - Targeted Capital Investment***

- Annual review of all contractually uncommitted capital schemes which rely on non-ring-fenced funding is undertaken to ensure that they remain a priority in the context of any newly emerging needs and aspirations



- Investment in programmes of a recurring nature that are essential to maintain operational effectiveness - including statutory responsibilities
- Invest in specific schemes that:
  - Are essential to preserving and enhancing the natural environment and renewable resources
  - Have a significant catalytic potential to unlock the regeneration of the City - by increasing prosperity through employment and reducing the extent to which the population needs Council services
  - Are significant in terms of the Council strategies that they serve
  - Are significantly income generating thereby reducing dependency on central government grants
  - Increase the efficiency and effectiveness of the Council's activity
  - If not implemented would cause severe disruption to service delivery

### **Total New Corporate Capital Resources**

- 15.8 New Corporate Capital resources available as a funding source for 'new starts' in 2021/22 and onwards have been reviewed and the amount available to be allocated has been determined as £21.6m.
- 15.9 This sum includes the allocation of indicative schools grant funding amounts for both 2021/22 and 2022/23. This approach was taken to enable a longer term schools programme of maintenance projects to be developed with some certainty around future funding.
- 15.10 Additionally, a small contingency has been retained to mitigate the risk of capital receipts and grants being lower than anticipated and some funding has been held back to meet unavoidable increases in costs to approved schemes and to support match funding bids for additional external funding.
- 15.11 A summary of the total capital resources available to the Council for 'new starts' in 2021/22 and onwards are described below:

#### **Corporate Capital Resources**

- 15.12 This includes all non-ring-fenced capital grants (e.g. local transport plan, education basic need and school condition funding), capital receipts and revenue contributions and are described below:
- A planned £10m contribution from the Revenue Budget in 2020/21 plus a further £4.2m contribution from the Revenue Budget in 2021/22 (see recommendation 3.1 9)
  - Non-ring-fenced capital grants (Integrated Transport Block & Schools Capital Maintenance) of £3.4m
  - Capital Receipts based on estimated values that have been declared surplus to requirements



- A further £3.3m of existing capital resources which were set aside from the revenue underspend at the end of 2019/20 in line with the recommendation approved at February 2020 Full Council, as well as resources allocated to projects which either underspent, were funded from alternative sources or upon review, are no longer considered to be a priority

#### Ring Fenced Capital Funding

- 15.13 Funding passported to the Better Care Fund which, whilst not ring-fenced, is targeted at disabled facilities grants and wider social care programmes and is required to be prioritised by the Council and the Portsmouth Clinical Commissioning Group. This is a central government initiative which creates a pooled budget arrangement between the Council and the Portsmouth Clinical Commissioning Group and an estimated £2.058m will be received by the Council in 2021/22.

#### Prudential Borrowing

- 15.14 Prudential borrowing is available for "Invest to Save" schemes only where those savings must accrue directly to the Council on a sustained basis. Prudential Borrowing is governed by the Prudential Code and its associated tests of affordability, sustainability and prudence. Prudential borrowing is what is termed "unsupported borrowing" and means that the Government does not provide any revenue support through government grant for the repayment of that debt (neither principal nor interest).
- 15.15 The Affordability test dictates that the Council must be able to demonstrate that it can afford the debt repayments over the long term. Given the future forecast deficits of the Council, prudential borrowing is only available for invest to save schemes where there is a demonstrable case that the capital expenditure incurred will result in savings (i.e. cost reduction or additional income) that at least cover the cost of borrowing. Also, that those savings accrue directly to the Council and will be available on a sustained basis over the lifetime of any borrowing.

#### New Capital Investment Proposals & Revised Capital Programme

- 15.16 The Administration's proposals for the allocation of the Council's 'new start' total capital investment resources of £35.8m are set out in Appendix D for approval. They comprise a balanced set of proposals described below.
- 15.17 The programme has been designed to support educational attainment by investing £9.5m into school buildings. Of which £7.9m is to address an urgent need for 62 additional places by September 2023 for pupils with complex educational needs.
- 15.18 Significant investment into the renewal and upgrading of leisure facilities totalling £15.7m is planned, which will result in the provision of a brand new leisure and community centre in the south of the City (£12.5m) and major improvements to football facilities in the north of the City (£3.2m). Additionally an £800,000 loan to Pompey in the Community is proposed to enable the delivery of a purpose built football and community facility in the Copnor / Baffins area to deliver a programme of activity which will improve provision across the city, including youth provision.

- 15.19 In order to maintain the Council's operational facilities, £2.4m is being invested into council buildings to provide for the highest priority maintenance needs. To ensure that Council Services are digitally enabled with up to date and secure IT systems, new IT infrastructure totalling £1.9m is planned. This includes the replacement of the Legal Case Management system and the Education Case Management systems to ensure the security, efficient operation and processing of sensitive case data. Additionally, a refresh of the CCTV control room and the acquisition of a further three mobile CCTV cameras is also planned.
- 15.20 A £1.7m investment is planned to acquire land within Cosham to enable a development to come forward which will provide additional housing, commercial and community facilities to support the local area. This first phase involves working with other public sector partners to assimilate the current police and fire station sites into the Councils ownership and the disposal of the former PCMI site owned by the Council.
- 15.21 As a key enabler of vibrant local communities, the underpinning and enabling of regeneration and the move towards a sustainable future, significant investment continues to be made into the core local transport infrastructure amounting to £1.0m to ensure transport networks are reliable and efficient; improve road and transport safety; manage the adverse impact of transport on the environment, and promote healthier travel.

Investment of £0.8m on environmental enhancements and the climate change agenda are proposed, including the acquisition of two vehicles to enable food waste recycling to be expanded by a further 2 rounds, sea defence and high street environmental enhancements (including greening the City) and a contribution to the upgrade of the emission control equipment at the Portsmouth, Marchwood & Chineham Energy Recovery Facilities.

### **Proposed Capital Programme 2020/21 to 2025/26**

- 15.22 The overall Capital Programme, including all existing schemes which have been reviewed and considered as a continuing priority and proposed new schemes, is set out in Appendix E for approval. The more significant amendments to the Capital Programme are set out below:

#### *Overspendings/Funding Shortfalls:*

- Local Full Fibre Network
- Modern Ways of Working (Due to COVID-19)

#### *In Year Additions:*

- Dunsbury Hill Farm Master Plan
- Future High Streets
- Green Homes
- Huntsman Close



- Next Steps Accommodation Programme
- Operation Transmission
- South East Hants Rapid Transit Programme

### **Future Capital Obligations, Priorities and Aspirations**

- 15.23 The proposals for capital investment contained within this report complement the existing capital programme and provide further solidity to secure the Council's financial viability for the medium term. Nevertheless, the Council will inevitably face future obligations of a statutory nature as well as wish to further develop its priorities and aspirations for future capital investment to meet its overall aim of financial and public service sustainability.
- 15.24 Known obligations and aspirations, in line with the Medium Term Financial Strategy, for future capital investment once further capital resources become available include:

#### *Statutory Obligations:*

- Additional extensions / additions to schools in respect of pupils with complex educational needs in order to provide for additional school places
- Provision of additional disabled facilities grants
- Requirements to improve road safety, disabled access and air quality
- Landlords Repairs & Maintenance

#### *Improving the City Economy:*

- Further development of key employment, housing and regeneration sites
- Anti-Poverty projects
- Coastal protection schemes to protect homes and businesses
- Berth 4 Replacement & Jetty Repairs at the Camber Quay
- Design and Build of 2,000 space Multi Storey Car Park at the existing Park & Ride site
- Improvements to road transport infrastructure as a means of supporting new business growth and productivity generally as well as the protection of the tourism economy

#### *Enhancing the Environment*

- Full roll out of Food Waste Recycling and associated anaerobic digestion facilities
- Greening the City
- Creating space and access

*Public Service Transformation:*

- Developing the Digital Council
- Use of technology to provide greater personal independence for those with care needs

- 15.25 The scale of the funding required for these obligations and aspirations is such that it far outstrips the annual capital funding which may be available. With core capital funding of circa £7m per annum, there is a hugely significant shortfall ("Capital Gap") to be met. From this £7m, there is an expectation from Central Government that amounts allocated for Education (circa. £1.6m) should be allocated for School Condition and there is an obligation to maintain a Local Transport Plan from the annual £1.8m provided from the Department for Transport. The overall implication being that routine annual funding available for Capital Investment is extremely limited.
- 15.26 Given the scale of the "Capital Gap" described above, the necessity to supplement the Capital Resources available remains an explicit feature of the Council's approved Medium Term Financial Strategy so that the Council can continue to fund essential services but also fund Regeneration, and Income Generation schemes aimed at improving the overall financial sustainability of the Council and the economy of the City whilst fulfilling its role in addressing the challenge of climate change. For this reason, it is recommended that the S.151 Officer be given delegated authority to transfer all or part of any further savings made in 2020/21 arising at the year-end to supplement the Capital Resources available for future years.

**Prudential Borrowing Indicators**

- 15.27 The Prudential Indicators of the Council are determined largely from its Capital Investment decisions. The 4 indicators are presented in Appendix F for approval. In summary, the Council's indicators illustrate that its current Capital Programme is affordable. Further details setting out what each indicator shown in Appendix F represents is set out below:

**Ratio of Financing Costs to Net Revenue Stream**

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

**Capital Financing Requirement (CFR)**

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



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

#### Housing Revenue Account (HRA) Limit on Indebtedness

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

#### Authorised Limit for External Debt & Operational Boundary for External Debt

The Council's Limit for External Debt, recommended for 2021/22, should be broadly equivalent to its CFR (described above) but should allow for a little headroom in excess of it. This has been set accordingly. Furthermore, the Operational Boundary for external debt serves as an early warning tool to highlight whether the External Limit is nearing a breach. This, therefore, is set at the level to which external debt is more likely to be.

### **16. Statement of the S.151 Officer in Accordance with the Local Government Act 2003**

16.1 Section 25 of the Local Government Act 2003 ("the Act") requires the Chief Financial Officer to report to the City Council on the following matters:

- The robustness of the estimates included in the budget made for the purposes of setting the Council Tax; and
- The adequacy of proposed financial reserves

16.2 Section 25 of the Act concentrates on uncertainties within the budget year rather than the greater uncertainties in future years. In the current economic climate, there continue to be uncertainties in both the current and future years i.e. beyond 2021/22. Particular uncertainties exist regarding:

- The continuing impact of the COVID-19 pandemic plus the consequent depth and length of any recession and subsequent recovery
- The Brexit impact on Portsmouth International Port and the City's transport network
- The general uncertainty surrounding Business Rate income including "material Change of Use" and the extent of successful appeals and mandatory reliefs all of which affect Retained Business Rates
- Government Funding levels (including the outcome of the Comprehensive Spending Review, the Fair Funding Review and the Business Rate Retention scheme review)
- The ability of the Council to continue to make the necessary savings at the required scale and pace

- The likely demographic cost pressures arising in demand driven services such as Adult and Children's Social Care and Housing
- The extent to which new policy changes will be funded (most notably those arising from the Care Act).

All of these uncertainties increase the need for adequate reserves and balances to be maintained in current and future years.

- 16.3 A minimum level of revenue reserves must be specified within the Budget. The Local Authority must take full account of this information when setting the Budget Requirement.
- 16.4 Should the level of reserves fall below the minimum approved sum of £8.0m as proposed in this report, either arising from an overspend in the previous year or the current year, the S.151 Officer has a duty to report this to the Council with recommendations as to the actions that should be taken to rectify the shortfall. In the most extreme of circumstances, the S.151 Officer can impose spending controls until a balanced budget is approved by the Council.

**(a) Robustness of the Budget**

- 16.5 In setting the Budget, the City Council should have regard to the strategic and operational risks facing the City Council. Some of these risks reflect the current economic climate and the national issues surrounding local authority funding levels.
- 16.6 Estimates and forecasts have been prepared to include all known significant financial factors over the medium term in order to inform spending decisions.
- 16.7 Assumptions for the Budget and forecasts for future years are considered to be sound and based on the best available information. These are set out in detail in Sections 8 and 12 and use the following sources as their evidence base:
- Government funding as set out in the provisional settlement for 2021/22
  - An assumption that the overall outcome of the Fair Funding Review and Business Rate Retention scheme review will lead to a net reduction in funding of £1.5m, but phased over 3 years
  - A "no growth" assumption for Retained Business Rates from 2022/23 onwards on the basis that any income arising from growth will be offset by appeals, reliefs and change of use
  - An assumption that the value of successful appeals against the 2017 rating list will be the equivalent of 4.7% of the business rate multiplier.
  - Increases in Council Tax based on what is likely to be acceptable and within expected referendum limits
  - Inflation on Retained Business Rates and prices in accordance with inflation estimates from the Treasury
  - Specific provisions for increases in demand for both Adult and Children's Social Care based on current trends

- Prudential borrowing requirements based on approved Capital schemes
- Revenue contributions to Capital based on known commitments and estimates of future needs
- Balances and contingencies based on a risk assessment of all known financial risks

- 16.8 Savings contained within the Budget are those where Portfolio Holders and Directors assess the confidence level of achievement is medium and above. Savings proposals have also been subject to scrutiny by Members. Responsibility and accountability for delivering the savings rests with the relevant Portfolio Holders and Directors and progress will be monitored throughout the year as part of the Budget Monitoring process.
- 16.9 The most volatile budgets are those of Adult and Children's Social Care. Budget provision has been made available to cover these risks both directly within Service cash limits as well as within the City Council's overall contingency provision.
- 16.10 Additionally, Portfolios will be able to retain any non COVID-19 underspendings in 2020/21 and utilise them as necessary in 2021/22 and future years for any purpose but with a clear priority to meet essential cost pressures in the first instance.
- 16.11 The forecasts prepared for the forthcoming and future years are robustly based and illustrate the expected costs the City Council will incur in order to deliver current levels of service.
- 16.12 Portfolio Holders will be given regular budget updates by Directors to ensure that action to address any potential over or underspend is taken promptly and quarterly budget monitoring reports will continue to be presented to the Cabinet.
- 16.13 To encourage budget discipline, all future overspendings will be deducted from any retained underspendings accumulated in Portfolio Earmarked Reserves in the first instance and once depleted from the following year's Cash Limits.
- 16.14 Prudential Indicators are accurately calculated based on the Council's audited Balance Sheet, notified income streams and in depth financial appraisals of proposed capital schemes. These are published and reviewed on a regular basis to ensure that the City Council complies with the concepts of Affordability, Prudence, and Sustainability. The City Council has agreed to consider Prudential Borrowing for "Spend to Save Schemes" only, as it is currently unaffordable for any other purpose given the forecast budget deficits in 2022/23 and future years.
- 16.15 Future years' budgets will remain challenging due to continued funding reductions and uncertainties. The Council's forecasts provide for a savings target of £1.0m in 2022/23, a further £1.0m in 2023/24 and a further £1.0m in 2024/25.

**(b) The Adequacy of Proposed Financial Reserves**

- 16.16 During 2020/21, a review of the level and nature of all revenue reserves and balances has been undertaken. All of the City Council's potential financial risks over the next



few years and the probability of each risk happening has been assessed. The outcome from this review concludes the need to maintain the minimum level of General Reserves of £8.0m as at 31 March 2022 (£8.0m in the current year).

- 16.17 Balances provide a buffer against unexpected costs such as pay awards, inflation, shortfalls in income and overspends and enable the City Council to manage change without undue impact on the Council Tax or immediate reductions to services. They are a key element of strong financial standing and resilience as they mitigate risks such as increased demand and other cost pressures.
- 16.18 The level of balances held will be higher than the minimum level recommended. This prudent approach is being taken for a number of specific reasons as set out in Sections 8 and 12. The position will continue to be reviewed and reported to Members on an annual basis.
- 16.19 As previously mentioned, the Council will maintain Portfolio Earmarked Reserves to retain accumulated Portfolio underspends in order that Portfolios can better manage any known or unknown cost pressures that arise.
- 16.20 The MTRS Reserve is the Council's primary vehicle for funding Spend to Save and Spend to Avoid Costs Initiatives, Feasibility Studies and redundancy costs. Taking account of all approvals from this reserve and future estimated redundancy costs over the next 4 years, it is estimated that the Reserve will have an uncommitted balance of £4.8m. In order for this Reserve to continue in this capacity, it will be necessary to replenish it from any non-Portfolio underspendings, transfers from other reserves no longer required or alternatively from the Revenue Budget.
- 16.21 The Council maintains a number of other Earmarked Reserves for specific purposes, all of which are at the levels required to meet known future commitments. The major reserves include the following:
- Revenue Reserve for Capital – to fund the Capital Programme
  - Highways PFI Reserve – to fund future commitments under that contract
  - Off Street Parking Reserve – to fund investment in transport
  - Insurance Reserve – to fund potential future liabilities
  - COVID Reserve - to fund forecast costs and income losses arising directly from the COVID Emergency (held in the Council's Contingency) and its legacy over the period to 2023/24
- 16.22 The Council's contingency provision for 2021/22 has been set on a risk basis at £26.3m and reflects anticipated calls on the budget where the timing and value is not yet known. The use and application of the contingency will continue to be exercised tightly.

## **17. Conclusion**

- 17.1 The proposed Budget 2021/22 has been prepared to incorporate the resolution of Full Council in February 2020 to make savings amounting to £1.0m and provides for an overall Council Tax increase of 4.99%, of which 3.0% is passported directly to provide

services for Adult Social Care. The savings proposals go further and are extended to reach £1.3m in order to mainstream 2 rounds of the Food Waste Recycling scheme with the aim of embedding a further 2 rounds at a later date.

- 17.2 The proposals within this report are consistent with the results from the Budget Consultation in relation to both spending priorities, savings and Council Tax and are made as part of a co-ordinated package of measures that are aligned with the approved Medium Term Financial Strategy with its stated aim that:

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

- 17.3 The continuing impact of COVID-19 in particular has shaped the Budget for 2021/22 but nevertheless the proposed Budget is financially balanced, robustly based and provides sufficient cover for anticipated and potential financial risks within the year. Furthermore, the overall financial health of the Council currently remains sound providing a good degree of resilience against an uncertain future.
- 17.4 Due to prudent financial management over a number of years, the scale of savings remains at moderate levels and the forecast budget deficit for the 3 year period 2022/23 to 2024/25 is £3.0m amounting to £1.0m per annum for each of the next 3 years.
- 17.5 Funding uncertainty still remains, particularly in 2022/23 when there is an expected Comprehensive Spending Review alongside the simultaneous implementation of the wholesale change to the Local Government Funding system; combined these have the potential to affect the Councils forecasts either positively or negatively by circa £3m.
- 17.6 Given the level of savings required over the next 3 years of £3.0m, the degree of uncertainty that exists and the inevitable financial pressures that the Council will face, it is important that the Council continues to follow its Medium Term Financial Strategy and maintain Reserves at adequate levels. The Council should also be particularly mindful of the potential future income or reduced demand / costs that the Council could derive through the delivery of its Capital Programme. This is likely to be the biggest influence on enabling jobs, growth and overall improved prosperity within the City.

## **18. Integrated Impact Assessment (EIA)**

- 18.1 Consideration of the impact of budget pressures and proposed savings on all customers, services and staff has been taken into account in formulating this budget. The savings proposals set out within this report are proposals only for the purposes of setting Portfolio Cash Limits and the overall City Council Budget. Whilst most are likely to be implemented, there will be some that require further consultation and appropriate Integrated Impact Assessments to be considered before any implementation can take place. For this reason, Portfolio holders have the discretion to alter, amend or substitute any proposal with an alternative proposal following appropriate consultation.

- 18.2 A public consultation was held in relation to the Budget and Council Tax 2021/22 across a 3 week period from 08 December 2020 to 28 December 2020 as described in Section 4.
- 18.3 The Scrutiny Management Panel also met to consider the proposals contained within this report and have the opportunity to make their representations to the Cabinet prior to their recommendation to the City Council. A public meeting of the Scrutiny Management Panel was held on the 29<sup>th</sup> January 2021 where a presentation was made of the proposed Council Tax and Revenue Budget 2021/22, the Council's future financial forecasts for 2022/23 to 2024/25 and the proposed Capital Investment plans.

**19. City Solicitor's Comments**

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

**20. S.151 Officer's Comments**

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

.....  
Signed by:

**Appendices:**

<b>A</b>	General Fund Summary
<b>B</b>	Forecast Expenditure 2021/22 to 2024/25
<b>C</b>	Indicative Budget Savings 2021/22
<b>D</b>	New Capital Schemes Starting in 2021/22
<b>E</b>	Capital Programme 2020/21 to 2025/26
<b>F</b>	Prudential Indicators

**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:

<b>Title of document</b>	<b>Location</b>
Budget Working Papers	Office of Director of Finance & Resources & Deputy Director of Finance
Local Government Finance Settlement 2021/22	Office of Director of Finance & Resources

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

.....  
Signed by:

## APPENDIX A

### Calculation of the Council Tax 2021/22

<u>Portsmouth City Council</u>	<b>2021/22</b> £	<b>2020/21</b> £
Gross Expenditure	463,153,794	478,744,767
LESS: Gross Income	(333,771,620)	(362,673,725)
Net Expenditure 2020/21	129,382,174	116,071,042
LESS: Government Grants	(43,245,470)	(32,216,438)
Council Tax Requirement - Portsmouth City Council Purposes	<b>86,136,704</b>	<b>83,854,604</b>
Council Tax Base	56,487.9	57,735.2
Council Tax - Portsmouth City Council Purposes at Band D <u>86,136,704</u> 56,487.9 =	<b>£1,524.87</b>	<b>£1,452.40</b>

<u>Hampshire Police &amp; Crime Commissioner Precept</u>	<b>12,792,250</b>	<b>12,208,685</b>
Council Tax - Hampshire Police & Crime Commissioner Purposes at Band D	<b>£226.46</b>	<b>£211.46</b>

<u>Hampshire Fire and Rescue Authority Precept</u>	<b>3,978,443</b>	<b>3,987,193</b>
Council Tax - Hampshire Fire and Rescue Authority Purposes at Band D	<b>£70.43</b>	<b>£69.06</b>

### The Council Tax to be levied for all bands in 2021/22 will be as follows :

		Portsmouth City Council £	Police & Crime Commissioner For Hampshire £	Hampshire Fire & Rescue Authority £	<b>TOTAL 2021/22 £</b>	<b>TOTAL 2020/21 £</b>
Estimated Valuation as 1 April 1991						
Up to £40,000	A	1,016.58	150.97	46.95	1,214.50	1,155.28
£40,001 - £52,000	B	1,186.01	176.14	54.78	1,416.93	1,347.82
£52,001 - £68,000	C	1,355.44	201.30	62.60	1,619.34	1,540.37
£68,001 - £88,000	D	1,524.87	226.46	70.43	1,821.76	1,732.92
£88,001 - £120,000	E	1,863.73	276.78	86.08	2,226.59	2,118.02
£120,001 - £160,000	F	2,202.59	327.11	101.73	2,631.43	2,503.10
£160,001 - £320,000	G	2,541.45	377.43	117.38	3,036.26	2,888.20
£320,001 and over	H	3,049.74	452.92	140.86	3,643.52	3,465.84

# GENERAL FUND SUMMARY - 2020/21 to 2024/25

# APPENDIX A

Original Budget 2020/21 £	NET REQUIREMENTS OF PORTFOLIOS	Revised Budget 2020/21 £	Original Budget 2021/22 £	Forecast 2022/23 £	Forecast 2023/24 £	Forecast 2024/25 £
57,097,000	Children, Families & Education	57,109,400	56,428,700	57,359,700	58,912,400	60,044,200
25,155,700	Communities & Central Services	26,213,100	25,280,000	28,104,800	28,340,300	28,752,400
2,686,900	Community Safety	3,488,900	2,752,200	2,877,300	2,942,900	3,020,800
11,114,700	Culture, Leisure & Economic Development	13,284,400	13,111,200	14,041,900	14,036,600	13,805,400
13,505,700	Environment & Climate Change	13,704,600	13,751,600	14,699,100	13,632,900	13,922,200
51,013,400	Health, Wellbeing & Social Care	50,981,000	54,446,000	57,506,800	59,374,400	61,107,400
8,469,500	Housing & Preventing Homelessness	7,446,500	7,421,700	7,836,900	7,805,900	7,966,100
(24,229,200)	Leader	(24,714,600)	(25,708,200)	(25,399,900)	(26,418,800)	(26,946,300)
1,306,600	Planning Policy & City Development	1,374,100	1,229,100	1,274,200	1,321,300	1,369,900
21,206,100	Traffic & Transportation	22,011,900	21,097,000	23,199,700	25,183,600	24,931,300
(129,000)	Licensing Committee	(125,000)	(126,500)	(130,900)	(135,400)	(140,000)
<b>167,197,400</b>	<b>Portfolio Expenditure</b>	<b>170,774,300</b>	<b>169,682,800</b>	<b>181,369,600</b>	<b>184,996,100</b>	<b>187,833,400</b>
	<u>Other Expenditure</u>					
1,470,700	Pension Costs	1,348,200	1,394,900	1,428,500	5,563,000	5,598,300
10,345,500	Contingency Provision	31,678,600	26,295,700	9,562,900	5,587,600	5,587,600
10,000,000	Revenue Contributions to Capital Reserve	8,144,800	6,234,000	3,500,000	0	0
2,860,500	Transfer to / (from) Other Reserves	29,667,300	(28,281,800)	(7,031,800)	(1,892,200)	(760,700)
(19,983,600)	Treasury Management	(21,984,100)	(17,661,500)	(16,872,000)	(18,470,200)	(18,162,100)
2,697,900	Other Expenditure	1,407,300	3,670,000	3,510,000	3,950,000	3,950,000
<b>7,391,000</b>	<b>Other Expenditure</b>	<b>50,262,100</b>	<b>(8,348,700)</b>	<b>(5,902,400)</b>	<b>(5,261,800)</b>	<b>(3,786,900)</b>
<b>174,588,400</b>	<b>TOTAL NET EXPENDITURE</b>	<b>221,036,400</b>	<b>161,334,100</b>	<b>175,467,200</b>	<b>179,734,300</b>	<b>184,046,500</b>
	<b>FINANCED BY:</b>					
2,579,937	Contribution (to) from Balances and Reserves	(364,220)	2,041,226	1,876,422	3,438,612	2,933,505
11,669,696	Revenue Support Grant	11,669,696	11,734,229	11,968,914	12,208,292	12,452,459
55,391,749	Business Rates Retention	80,005,046	30,730,310	52,485,182	53,072,167	55,044,897
20,546,742	Other General Grants	44,863,946	31,511,241	20,935,147	20,551,525	20,720,656
84,400,276	Council Tax	84,861,932	85,317,094	88,201,535	90,463,704	92,894,983
<b>174,588,400</b>		<b>221,036,400</b>	<b>161,334,100</b>	<b>175,467,200</b>	<b>179,734,300</b>	<b>184,046,500</b>
	<b>BALANCES &amp; RESERVES</b>					
23,001,918	Balance brought forward at 1 April	23,010,130	23,374,350	21,333,124	19,456,702	16,018,090
(2,579,937)	Deduct (Deficit) / Add Surplus for Year	364,220	(2,041,226)	(1,876,422)	(3,438,612)	(2,933,505)
<b>20,421,981</b>	<b>Balance carried forward at 31 March</b>	<b>23,374,350</b>	<b>21,333,124</b>	<b>19,456,702</b>	<b>16,018,090</b>	<b>13,084,585</b>
<b>8,000,000</b>	<b>Minimum Level of Balances</b>	<b>8,000,000</b>	<b>8,000,000</b>	<b>8,000,000</b>	<b>8,000,000</b>	<b>8,000,000</b>
<b>2,579,937</b>	<b>Underlying Budget Deficit / (Surplus)</b>	<b>(364,220)</b>	<b>2,041,226</b>	<b>1,876,422</b>	<b>3,438,612</b>	<b>2,933,505</b>

## APPENDIX B

### BUDGET AND FORECAST EXPENDITURE 2021/22 to 2024/25

	Budget 2021/22 £'000	Forecast 2022/23 £'000	Forecast 2023/24 £'000	Forecast 2024/25 £'000
Service Cash Limits	118,108	129,757	133,345	136,142
Contingency	26,296	9,563	5,588	5,588
Debt financing costs	32,480	33,269	31,671	31,979
Levies and insurance premiums	1,433	1,472	1,510	1,550
Other income/expenditure	(16,983)	1,406	7,621	8,788
	<b>161,334</b>	<b>175,467</b>	<b>179,735</b>	<b>184,047</b>
<u>Less</u>				
- Council Tax Income	85,317	88,202	90,464	92,895
- Revenue Support Grant	11,734	11,969	12,208	12,452
- Business Rates Retention	30,730	52,485	53,072	55,045
- Other General Grants	31,511	20,935	20,552	20,721
	<b>159,292</b>	<b>173,591</b>	<b>176,296</b>	<b>181,113</b>
<b>Budget (Deficit)/Surplus</b>	<b>(2,042)</b>	<b>(1,876)</b>	<b>(3,439)</b>	<b>(2,934)</b>

Deficits in 2022/23 to 2024/25 reflect future savings requirements

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## APPENDIX C

### INDICATIVE BUDGET SAVINGS 2021/22

Indicative Savings Proposal	Saving 2021/22 £	Saving 2022/23 £	Saving 2023/24 £
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#### Children, Families and Education Portfolio

##### Director of Children's Services & Education

001	Agreement with CCG to contribute to Director and Assistant Director posts	No impact	30,000	30,000	30,000
002	Reorganisation of Support Functions	This will be achieved by efficiencies and an anticipated reduction in some areas of work	110,000	110,000	110,000

<b>Children, Families and Education Portfolio Total</b>	<b>140,000</b>	<b>140,000</b>	<b>140,000</b>
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#### Communities and Central Services Portfolio

##### Director of Corporate Services

003	Increase number of Apprenticeships	No impact on Service Users	22,500	22,500	22,500
004	Reduction in print costs by maintaining a level of remote working	No impact on Service Users	20,000	20,000	20,000
005	Reduce subscription costs of My Portsmouth App by moving to opensource	No impact on Service Users	5,000	5,000	5,000
006	Increase external income from legal services	No impact on Service Users	15,000	15,000	15,000
007	Review Management structure of City Helpdesk	Potential impact on call wait times	37,500	37,500	37,500
008	Delete vacancy arising from natural wastage/shared role within Democratic Services/Legal Services	No impact on Service Users	38,000	38,000	38,000
009	Review Cashiers opening times	No impact on Service Users - Informed by a review of customer demand	15,000	15,000	15,000

##### Director of Finance & Resources

010	Withdraw Housing Benefit Support Services from Leigh Park & Paulsgrove Area Housing Offices	Housing Benefit Services have not been provided from Area Housing Offices during the pandemic with no reduction in performance or noticeable reduction in the level of customer satisfaction. The offices remain available for the receipt of documents.	65,000	65,000	65,000
011	Reduction in resilience across finance teams	Reduces response times and opportunities to cover vacancies. Reduction in financial monitoring and financial evaluation capacity	75,000	75,000	75,000

## APPENDIX C

### INDICATIVE BUDGET SAVINGS 2021/22

Indicative Savings Proposal	Saving 2021/22 £	Saving 2022/23 £	Saving 2023/24 £
012 Review across Adult Social Care finance team  Some efficiencies across the payments and income collection teams will be realised but will result in a reduced level of operational resilience	20,000	20,000	20,000
013 Procurement review - Deletion of one vacant post  Reduces flexibility to be able to react to service demands	35,000	35,000	35,000
<b>Communities and Central Services Portfolio Total</b>	<b>348,000</b>	<b>348,000</b>	<b>348,000</b>
<b><u>Community Safety Portfolio</u></b>			
<b><u>Director of Housing, Neighbourhood &amp; Building Services</u></b>			
014 Additional Income for Kennelling from Southampton City Council  No impact on Service Users	10,000	10,000	10,000
<b>Community Safety Portfolio Total</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>
<b><u>Culture, Leisure and Economic Development Portfolio</u></b>			
<b><u>Director of Culture, Leisure &amp; Regulatory Services</u></b>			
015 Reduce hedge cuts to once per year  Reduction in quality of the visual appearance of the environment	5,500	5,500	5,500
<b><u>Director of Regeneration</u></b>			
016 Cease to support Business South  No impact on Service Users	3,500	3,500	3,500
017 Cease pedestrian footfall counting across city  No impact on Service Users	11,000	11,000	11,000
<b>Culture, Leisure and Economic Development Portfolio Total</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>
<b><u>Environment and Climate Change Portfolio</u></b>			
<b>Environment and Climate Change Portfolio Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

## APPENDIX C

### INDICATIVE BUDGET SAVINGS 2021/22

Indicative Savings Proposal	Saving 2021/22 £	Saving 2022/23 £	Saving 2023/24 £
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#### Health, Wellbeing and Social Care Portfolio

##### Director of Adult Services

18	Reorganisation of in-house Residential Care capacity and return to regular levels of in-house capacity	No impact, people with Care & Support needs will continue to receive the necessary care and support required	150,000	150,000	150,000
19	Review and retargeting of investment in the reablement care pathway to deliver operational efficiencies.	No impact, people with Care & Support needs will continue to receive the necessary care and support required	150,000	150,000	150,000

<b>Health, Wellbeing and Social Care Portfolio Total</b>	<b>300,000</b>	<b>300,000</b>	<b>300,000</b>
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#### Housing and Preventing Homelessness Portfolio

<b>Housing and Preventing Homelessness Portfolio Total</b>	<b>0</b>	<b>0</b>	<b>0</b>
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#### Leader Portfolio

##### Director of Housing, Neighbourhood & Building Services

20	Utilities and Water payments from tenants within the Brunell Wing. Tenancy ends in 2022 but assumed that an occupancy will continue	No impact on Service Users	40,000	40,000	40,000
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<b>Leader Portfolio Total</b>	<b>40,000</b>	<b>40,000</b>	<b>40,000</b>
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#### Planning Policy and City Development Portfolio

<b>Planning Policy and City Development Portfolio Total</b>	<b>0</b>	<b>0</b>	<b>0</b>
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## APPENDIX C

### INDICATIVE BUDGET SAVINGS 2021/22

Indicative Savings Proposal		Saving 2021/22 £	Saving 2022/23 £	Saving 2023/24 £	
<b><u>Traffic and Transportation Portfolio</u></b>					
<b><u>Director of Regeneration</u></b>					
21	Additional income being received into the Parking Reserve now available to fund a larger proportion of parking and other transport activities currently being funded within the budget	Additional income being received into the Parking Reserve	117,000	117,000	117,000
22	A managed staff vacancy provision across the Portfolio consistent with historic underspending	No Impact	25,000	25,000	25,000
<b>Traffic and Transportation Portfolio Total</b>			<b>142,000</b>	<b>142,000</b>	<b>142,000</b>
<b><u>Other Expenditure</u></b>					
<b><u>Centralised Savings</u></b>					
023	Reduction in appropriation to meet any potential deficit arising on the Pilots Pension Fund	No expected impact. A risk based approach leaving a residual sum of £100,000 per annum to fund a current deficit of £1.7m. Any deficit only crystallises once the last scheme member retires	300,000	300,000	300,000
<b>Other Expenditure Total</b>			<b>300,000</b>	<b>300,000</b>	<b>300,000</b>
<b>Grand Total</b>			<b>1,300,000</b>	<b>1,300,000</b>	<b>1,300,000</b>

**NEWSCHEMES STARTING IN 2021/22 and Relying on Available Corporate Resources**

**CAPITAL PROGRAMME**

Description of Scheme	Scheme Details	Council Contribution £	Total Capital Cost £	Annual Revenue Cost / (Saving)
<b>Children, Families &amp; Education</b>				
Replacement Education Case Management System	Acquisition of a replacement case management system which will flexibly meet efficient record management and reporting requirements. The current system is functional but no longer fit for purpose as the software provider is no longer investing in this system	1,250,000	1,250,000	
Maintained Schools - Urgent Conditions Projects (2 year Planned Programme 2021/22 to 2022/23)	A 2 year Planned Programme to address urgent school condition issues (Priority 1: Urgent repairs that require remedy within 1-2 years); priority items raised in the school condition surveys, and other statutory items recommended as a priority by Housing, Neighbourhood & Building Services	1,500,000	1,583,400	
Accommodation for Special Education Needs (Additional School Places)	Creation of additional specialist provision to meeting growing demand from children with Special Educations Needs and Disabilities	3,500,000	7,942,000	
Acquisition of Mosaic Mobile Work Force Cloud Technology	"Mosaic Mobilise" cloud technology will ensure that social workers have access to up to date information wherever they are and whenever they need it. This ensures that any actions required can be taken quickly and that any decisions are better informed, ensuring better outcomes for children and young people	545,000	545,000	40,000
<b>Communities &amp; Central Services</b>				
Replacement Legal Case Management System	Acquisition of a replacement case management system for Legal Services which will provide an intuitive, flexible and client focused case management system combining management reporting functionality	60,000	60,000	
<b>Community Safety</b>				
Refresh of CCTV Control Room Infrastructure	The existing CCTV control room infrastructure is over 7 years old and replacement of aging infrastructure is required to ensure continuity of service	25,000	25,000	
3 Additional redeployable CCTV Cameras	There is high demand for the current suite of cameras that are deployed. These additional cameras will be deployed in areas across the city linked to anti-social behaviour and fly tipping	25,000	25,000	
<b>Culture, Leisure &amp; Economic Development</b>				
Cosham Library - Refurbishment of library space	Replacement of shelving, IT facilities, furnishings and partitioning to enable the creation of a learning zone that will improve school readiness, literacy and homework support	37,000	37,000	
Southsea Castle - External Stone Repairs	Remedial works to external walls to prevent water penetrating through the external walls	190,000	190,000	
Invest in Football Facilities Including Changing Facilities	Development of a football hub (largely funded by the Football Foundation) in the north of the city comprising changing and community facilities (café & toilet), 2 Artificial grass pitches and realignment of existing grass pitches to improve play quality	615,000	3,203,000	
Seafront Litter Management	Additional litter bin furniture across Southsea Common and Seafront resulting in better provision of seasonally deployed general waste receptacles used during peak visitor months	35,000	35,000	
Re-provision of Leisure Centre, Pool & Community Centre	Construction of a new leisure centre with swimming pool, gym, sports facilities and a community Centre	8,200,000	12,500,000	

**NEWSCHEMES STARTING IN 2021/22 and Relying on Available Corporate Resources**

**CAPITAL PROGRAMME**

Description of Scheme	Scheme Details	Council Contribution £	Total Capital Cost £	Annual Revenue Cost / (Saving)
Palmerston Forts (Widley & Purbrook) - Backlog Maintenance	Essential landlord's maintenance repairs to relieve future buildings maintenance liabilities	250,000	250,000	
<b>Environment &amp; Climate Change</b>				
Energy Recovery Facilities - Emissions control equipment upgrade	Upgrade to the emissions control equipment at the Portsmouth, Marchwood and Chineham Energy Recovery Facilities (ERF)	115,000	115,000	
High Street Improvements & Greening The City (Available to be used in conjunction with CIL & Crowd Funded Schemes)	Public realm and environmental enhancements including the planting of new trees in the city, including street trees and other types of green infrastructure	175,000	175,000	
Southsea Sea Defences - Public Realm Enhancements	Public realm enhancements including provision of benches, lighting, tree planting and public art which will be complimentary to planned sea defence works	200,000	200,000	
Additional 2 Food Waste Recycling Vehicles	Acquisition of 2 food waste recycling vehicles, collection bins, bulk containers and ancillary equipment to enable the expansion of food waste recycling by a further 2 rounds	340,000	340,000	
<b>Housing &amp; Preventing Homelessness - General Fund</b>				
Landlords Maintenance - Repairs across the whole City Council Estate	The Council has landlord maintenance responsibility for over 2,000 operational assets. Detailed surveys are carried out and updated annually, to ensure that maintenance needs of all assets are recognised and planned for within the medium term maintenance programme. Remediation requirements are categorised according to their severity and impact. Only works classified as being of the highest priority will proceed. Proposed maintenance work combine a number of projects including building works, mechanical and electrical installations and plant refurbishments	1,447,000	1,447,000	
<b>Leader</b>				
Cosham Land Assembly (Phase 1 Development)	Working with other public sector bodies towards the regeneration of the former PCMI site (owned by the Council) and the current sites of Cosham Fire and Police Stations with a view to redevelopment so that housing, commercial and community development can come forward to support the local area	1,700,000	1,700,000	

**APPENDIX D (1)**

**NEWSCHEMES STARTING IN 2021/22 and Relying on Available Corporate Resources**

**CAPITAL PROGRAMME**

Description of Scheme	Scheme Details	Council Contribution £	Total Capital Cost £	Annual Revenue Cost / (Saving)
<b>Traffic &amp; Transportation</b>				
Local Transport Plan 3	<p>The Local Transport Plan (LTP) is a proactive plan prepared to complement the City Centre development and city centre road plans.</p> <p>The LTP programme of small schemes promotes the creation of an effective, integrated transport network designed to contribute towards corporate priorities and a range of transport objectives.</p> <p>Transport is an enabler of activity, and will underpin regeneration in the Portsmouth area. The regeneration and economic success of the city is dependent upon the reliability of the transport network, enabling people, freight and goods to access, and travel within the city</p> <p>It includes Road Safety schemes such as speed reduction and improvements to school routes, active travel schemes such as walking and cycling initiatives, pedestrian crossings, traffic signals and improvements to passenger information</p>	1,000,000	1,000,000	
Non PFI asset Management	Phase 2 of the Asset Management project. Following the identification and recording of all non-PFI highway assets. Any required works will be identified upon completion of the Life Care Plan currently being prepared	25,000	25,000	
The Hard Structural Repairs	Structural repair work required to maintain the integrity of the underlying structure that supports the Hard Interchange	400,000	400,000	
<b>Total of New Schemes Starting in 2021/22 Relying on Available Corporate Resources</b>		<b>21,634,000</b>	<b>33,047,400</b>	<b>40,000</b>

*Footnote -Where a scheme has more than one source of financing, scheme savings are shown within the prudential borrowing section of this appendix*

**APPENDIX D (2)**

**NEW SCHEMES STARTING IN 2021/22 and Relying on Prudential Borrowing**

***CAPITAL PROGRAMME***

Description of Scheme	Scheme Details	Council Contribution £	Total Capital Cost £	Annual Revenue (Saving) After Borrowing Costs
<b>Schemes to be approved in principal and funded from prudential borrowing but only if supported by a satisfactory financial appraisal approved by the Director of Finance &amp; Resources and S151 Officer which demonstrates that borrowing costs can be met from savings arising from the scheme</b>				
<b>Culture, Leisure &amp; Economic Development</b>				
Loan to Pompey in the Community - John Jenkins Centre. (Copnor/Baffins)	Pompey in the Community are planning a purpose built football facility in the Copnor/Baffins area to deliver their programme of activity, meaning that they can improve provision across the city, including youth provision. PITC are requesting support in the form of a loan over 20 years	800,000	800,000	
Re-provision of Leisure Centre, Pool & Community Centre	Construction of a new Leisure centre with swimming pool, gym, sports facilities and a community Centre	2,200,000	12,500,000	
Future High Streets Commercial Rd	Provision for borrowing of up to £2.0m to support regeneration in and around the Commercial Road retail centre through the purchase and redevelopment of underutilised retail units to enable commercial, office and residential use. Any investment will be subject to a full business case approved by the S.151 Officer	2,000,000	2,000,000	
<b>Total of New Schemes Starting in 2021/22 Relying on Prudential Borrowing</b>		<b>5,000,000</b>	<b>15,300,000</b>	<b>0</b>

*Footnote -Where a scheme has more than one source of financing, scheme savings are shown within the prudential borrowing section of this appendix*



Summary of Capital Programme (All Services)	Expenditure to 31 March 20 £	Revised Estimate 2020/21 £	Estimate 2021 / 22 £	Estimate 2022 / 23 £	Estimate 2023 / 24 £	Estimate 2024 / 25 £	Estimate 2025 / 26 £	Expenditure in Subsequent Years £	Final Cost £
Children, Families & Education	43,192,805	19,766,854	7,584,768	4,601,608	42,800	-	-	-	75,188,835
Communities & Central Services	20,413,401	11,834,038	15,864,615	4,191,698	-	-	-	-	52,303,752
Community Safety	663,611	105,194	-	-	-	-	-	-	768,805
Culture, Leisure & Economic Development	10,602,822	10,435,412	18,835,774	9,062,000	1,650,000	999,664	-	122,240	51,707,912
Environment & Climate Change	1,572,163	1,745,233	24,241,851	6,838,400	115,000	-	-	-	34,512,647
Health, Wellbeing & Social Care	5,348,827	4,688,133	6,310,049	3,210,000	-	-	-	-	19,557,009
Leader	481,837,600	117,338,911	36,669,806	11,481,109	33,255,641	12,007,266	-	-	692,590,333
Commercial Port	24,550,888	5,238,609	18,393,433	5,957,630	-	-	-	-	54,140,560
Planning, Policy & City Development	42,458,620	15,825,955	30,171,520	32,116,252	23,293,190	17,535,740	28,061,120	332,000	189,794,397
Traffic & Transportation	76,336,423	20,016,626	40,887,644	28,331,696	5,935,404	5,935,404	5,935,404	7,745,062	191,123,663
<b>Total Capital Programme (Excluding Housing Investment Programme)</b>	<b>706,977,160</b>	<b>206,994,965</b>	<b>198,959,460</b>	<b>105,790,393</b>	<b>64,292,035</b>	<b>36,478,074</b>	<b>33,996,524</b>	<b>8,199,302</b>	<b>1,361,687,913</b>
Housing Investment Programme	262,034,359	57,858,543	83,137,882	58,454,565	53,982,500	51,282,500	33,548,100	32,910,000	633,208,449
<b>Total Capital Programme</b>	<b>969,011,518</b>	<b>264,853,508</b>	<b>282,097,342</b>	<b>164,244,958</b>	<b>118,274,535</b>	<b>87,760,574</b>	<b>67,544,624</b>	<b>41,109,302</b>	<b>1,994,896,362</b>
<b>Analysis of Programme by Source of Finance</b>									
Unsupported Borrowing		56,457,789	110,292,438	52,588,032	26,089,004	26,680,063	0	0	272,107,326
Corporate Reserves (Including Capital Receipts)		34,895,760	26,143,532	6,314,525	6,322,237	4,108,437	512,500	404,240	78,701,231
Revenue & Reserves		25,531,937	48,717,263	37,593,173	55,127,932	36,302,670	36,645,404	40,305,062	280,223,441
Grants		133,732,650	84,024,768	55,740,833	24,200,792	14,434,678	24,716,453	0	336,850,174
Contributions		14,235,373	12,919,341	12,008,395	6,534,570	6,234,726	5,670,267	400,000	58,002,672
<b>Total Financing</b>		<b>264,853,508</b>	<b>282,097,342</b>	<b>164,244,958</b>	<b>118,274,535</b>	<b>87,760,574</b>	<b>67,544,624</b>	<b>41,109,302</b>	<b>1,025,884,843</b>

**RESOURCES AVAILABLE**

	Revised Estimate 2020/21 £	Estimate 2021 / 22 £	Estimate 2022 / 23 £	Estimate 2023 / 24 £	Estimate 2024 / 25 £	Estimate 2025 / 26 £	Expenditure in Subsequent Years £	Final Cost £
<b>Specific Resources</b>								
Prudential Borrowing	56,457,789	110,292,438	52,588,032	26,089,004	26,680,063	0	0	<b>272,107,326</b>
Other Capital Receipts	8,786,207	4,845,666	4,132,438	4,082,437	4,032,437	512,500	0	<b>26,391,685</b>
Other Capital Reserves	24,844,924	48,253,825	37,593,173	55,127,932	36,302,670	36,645,404	40,305,062	<b>279,072,990</b>
Other Contributions	5,306,811	6,115,976	4,219,010	6,463,000	6,210,000	5,670,267	400,000	<b>34,385,064</b>
Government Grants	25,000	0	0	0	0	0	0	<b>25,000</b>
Other Grants	110,271,153	73,945,491	52,202,550	20,236,620	14,434,678	24,716,453	0	<b>295,806,945</b>
<b>Sub Total - Specific Resources</b>	<b>205,691,884</b>	<b>243,453,396</b>	<b>150,735,203</b>	<b>111,998,993</b>	<b>87,659,848</b>	<b>67,544,624</b>	<b>40,705,062</b>	<b>907,789,010</b>
Specific Resources Used	205,691,884	243,453,396	150,735,203	111,998,993	87,659,848	67,544,624	40,705,062	907,789,010
<b>Specific Resources Available</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Corporate Resources</b>								
Corporate Capital Receipts	4,722,065	2,588,448	68,260	68,260	204,018			7,651,051
Corporate Capital Reserves	41,564,097	4,244,970	0					45,809,067
Corporate S106 Contributions & CIL	18,853,542	2,368,657	0	0	0			21,222,199
Capital Settlement - Non Ring Fenced Grants	37,667,198	2,587,000	764,000	0				41,018,198
Corporate Grants	2,395,318	0	0	0				2,395,318
<b>Sub Total - Corporate Resources</b>	<b>105,202,220</b>	<b>11,789,075</b>	<b>832,260</b>	<b>68,260</b>	<b>204,018</b>	<b>0</b>	<b>0</b>	<b>118,095,833</b>
Corporate Resources Used	59,161,624	38,643,946	13,509,755	6,275,542	100,726	0	404,240	118,095,833
<b>Corporate Resources Available</b>	<b>46,040,596</b>	<b>19,185,725</b>	<b>6,508,230</b>	<b>300,948</b>	<b>404,240</b>	<b>404,240</b>	<b>(0)</b>	<b>(0)</b>
<b>Total Resources Available</b>	<b>310,894,104</b>	<b>255,242,471</b>	<b>151,567,463</b>	<b>112,067,253</b>	<b>87,863,866</b>	<b>67,544,624</b>	<b>40,705,062</b>	<b>1,025,884,843</b>
<b>Total Resources Used</b>	<b>264,853,508</b>	<b>282,097,342</b>	<b>164,244,958</b>	<b>118,274,535</b>	<b>87,760,574</b>	<b>67,544,624</b>	<b>41,109,302</b>	<b>1,025,884,843</b>
<b>Total Remaining Resources Available</b>	<b>46,040,596</b>	<b>19,185,725</b>	<b>6,508,230</b>	<b>300,948</b>	<b>404,240</b>	<b>404,240</b>	<b>(0)</b>	<b>(0)</b>

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## APPENDIX E

### CHILDREN, FAMILIES & EDUCATION PORTFOLIO

### CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp.	Revised	Estimate for	Estimate for	Estimate for	Estimate for	Estimate for	Exp.	Final Cost
			to 31 Mar 2020	Estimate for 2020 / 21	2021 / 22	2022 / 23	2023 / 24	2024 / 25	2024 / 25	in Subsequent Years	
1	Adaptations to Foster Carer Properties	CROC CorpRsv	108,266 -	41,734 35,000							150,000 35,000
	<b>Sub Total</b>		<b>108,266</b>	<b>76,734</b>	-	-	-	-	-	-	<b>185,000</b>
2	Children's Case Management Software Replacement	CorpRsv CP(DCSF)BN	2,127,615 13,066	500,000 66,319							2,627,615 79,385
	<b>Sub Total</b>		<b>2,140,681</b>	<b>566,319</b>	-	-	-	-	-	-	<b>2,707,000</b>
3	Tangier Road Children's Home	CorpRsv CP(DCSF)BN	505,985 (2,126)								505,985 2,126
	<b>Sub Total</b>		<b>503,859</b>	-	-	-	-	-	-	-	<b>503,859</b>
4	Beechside Children's Home	CorpRsv	50,123								50,123
5	Capital Grant for Disabled Looked after Children	CorpRsv RCCO	110,195 100,000								110,195 100,000
	<b>Sub Total</b>		<b>210,195</b>	-	-	-	-	-	-	-	<b>210,195</b>
6	E C Roberts Centre refurbishment Loan	CorpRsv	7,200	50,000	75,000	75,000	42,800				250,000
7	Adaptation to Carers Homes	MTRS	-	400,000							400,000
8	Sufficiency Programme Phase Two 2015- 2017	CP(DCSF)BN CorpRsv UBIR CROC CIL GGR(DCSF)SSEYC OC CP(DCSF)CM	2,076,350 2,474,953 4,097,868 300,000 635,710 726,721 251,344 72,000	60,000 389,918							2,136,350 2,864,871 4,097,868 300,000 635,710 726,721 251,344 72,000
	<b>Sub Total</b>		<b>10,634,946</b>	<b>449,918</b>	-	-	-	-	-	-	<b>11,084,864</b>

## APPENDIX E

### CHILDREN, FAMILIES & EDUCATION PORTFOLIO

### CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source	Exp.	Revised	Estimate for	Estimate for	Estimate for	Estimate for	Estimate for	Exp.	Final
		of	to	Estimate for	Estimate for	Estimate for	Estimate for	Estimate for	Estimate for	in	Cost
		Finance	31 Mar 2020	2020 / 21	2021 / 22	2022 / 23	2023 / 24	2024 / 25	2024 / 25	Subsequent Years	
9	Vanguard Centre	CP(DCSF)BN	1,836,493	18,631							1,855,124
		Corp Rsv	539,463								539,463
		S106(EC)	121,921								121,921
		CP(DCLG)DFG	39,000								39,000
		CP(ESFA)SEND	770,000								770,000
	<b>Sub Total</b>		<b>3,306,877</b>	<b>18,631</b>	-	-	-	-	-	-	<b>3,325,508</b>
10	King Richard School Rebuild 900-1000 places	GGR(DCSF)TC	1,251,400								1,251,400
		Corp Rsv	139,294	154,469							293,763
		OC	10,917								10,917
		CP(DCSF)BN	6,224								6,224
	<b>Sub Total</b>		<b>1,407,835</b>	<b>154,469</b>	-	-	-	-	-	-	<b>1,562,304</b>
	Universal Infant Free School Meal Works	OG	580,815								580,815
		Corp Rsv	247,040								247,040
		CP(DCSF)CM	61,487								61,487
	<b>Sub Total</b>		<b>889,342</b>	-	-	-	-	-	-	-	<b>889,342</b>
12	Schools Conditions Projects - Modernisation	CP(DCSF)CM	1,185,033								1,185,033
		GGR(DCSF)DF	123,193								123,193
		CP(EFA)2Y R	56,894								56,894
		Corp Rsv	57,503	4,896							62,399
	<b>Sub Total</b>		<b>1,422,623</b>	<b>4,896</b>	-	-	-	-	-	-	<b>1,427,519</b>
13	School Conditions Project 2016-17	CP(DCSF)BN	126,220	5,642							131,862
		CP(DCSF)CM	318,474								318,474
		GGR(DCSF)DF	427,664								427,664
	<b>Sub Total</b>		<b>872,358</b>	<b>5,642</b>	-	-	-	-	-	-	<b>878,000</b>

## APPENDIX E

### CHILDREN, FAMILIES & EDUCATION PORTFOLIO

### CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source	Exp.	Revised	Estimate for	Estimate	Estimate	Estimate	Estimate	Exp.	Final
		of	to	Estimate	Estimate for	for	for	for	for	in	Cost
		Finance	31 Mar 2020	for	2021 / 22	for	for	for	for	Subsequent	
				2020 / 21	2022 / 23	2023 / 24	2024 / 25	2024 / 25	2024 / 25	Years	
14	Secondary School Places Expansion Phase (1)	UBIR	626,860								626,860
		CP(DCSF)BN	713,167	85,700							798,867
		CP(DCSF)CM	8,211								8,211
		CROC	8,123	86,639							94,762
		OC	200,000								200,000
	<b>Sub Total</b>		<b>1,556,361</b>	<b>172,339</b>	-	-	-	-	-	-	<b>1,728,700</b>
15	Special Education Needs - Building Alterations	CP(DCSF)BN	1,122,750								1,122,750
		CP(DCSF)CM	68,810								68,810
		CorpRsv	779,574	330,426							1,110,000
		UBIR	540,000								540,000
	<b>Sub Total</b>		<b>2,511,134</b>	<b>330,426</b>	-	-	-	-	-	-	<b>2,841,560</b>
	Primary Schools DFC Balances and devolved 2016-17	GGR(DCSF)DF	1,353,656								1,353,656
		GGR(DCSF)DSG	3,251,942								3,251,942
		CorpRsv	132,071								132,071
		CP(DCSF)BN	381,026								381,026
		OC	113,735								113,735
	<b>Sub Total</b>		<b>5,232,430</b>	-	-	-	-	-	-	-	<b>5,232,430</b>
17	Sufficiency of Secondary School Places	CorpRsv	-	661,820							661,820
		CP(DCSF)BN	2,386,416	1,690,709							4,077,125
		CP(DCSF)CM	37,802	573,253							611,055
		GGR(DCSF)DSG	132,500								132,500
		OC		35,000							35,000
	<b>Sub Total</b>		<b>2,556,718</b>	<b>2,960,782</b>	-	-	-	-	-	-	<b>5,517,500</b>
18	Future Secondary School Places	CP(DCSF)BN	(42,842)	72,090							29,248
		UBIR	102,842	26,158							129,000
	<b>Sub Total</b>		<b>60,000</b>	<b>98,248</b>	-	-	-	-	-	-	<b>158,248</b>

## APPENDIX E

### CHILDREN, FAMILIES & EDUCATION PORTFOLIO

### CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source	Exp.	Revised	Estimate for	Estimate	Estimate	Estimate	Estimate	Exp.	Final
		of	to	Estimate	Estimate for	for	for	for	for	in	Cost
		Finance	31 Mar 2020	for	2021 / 22	2022 / 23	2023 / 24	2024 / 25	2024 / 25	Subsequent	
				2020 / 21						Years	
19	School Conditions Project 2017-18	OC	61,896	138,459							200,355
		CP(DCSF)CM	652,859								652,859
	<b>Sub Total</b>		<b>714,755</b>	<b>138,459</b>	-	-	-	-	-	-	<b>853,214</b>
20	Beacon View Primary School - Kitchen Block	CorpRsv	41,698								41,698
21	Schools' Conditions Project 2018-19	CP(DCSF)CM	994,246	196,644							1,190,890
		CP(DCSF)BN	20,000	59,438							79,438
		CorpRsv	-	166,917							166,917
		OC	30,000	85,145							115,145
		GGR(DCSF)DF		25,000							25,000
											0
	<b>Sub Total</b>		<b>1,044,246</b>	<b>533,144</b>	-	-	-	-	-	-	<b>1,577,390</b>
22	Sufficiency of School Places 2018-19	CP(DCSF)BN	4,551,586	6,282,114							10,833,700
		CP(DCSF)CM	34,100	170,707							204,807
		OC		305,000							305,000
	<b>Sub Total</b>		<b>4,585,686</b>	<b>6,757,821</b>	-	-	-	-	-	-	<b>11,343,507</b>
23	Sufficiency of Special School Places - Redwood Park Academy	CorpRsv	58,724	1,874,976							1,933,700
		UBIR	872,221								872,221
	<b>Sub Total</b>		<b>930,945</b>	<b>1,874,976</b>	-	-	-	-	-	-	<b>2,805,921</b>
24	Sufficiency of Special School Places - The Willows Centre	CP(DCSF)CM	216,256	154,244							370,500
		CorpRsv	21,408	128,092							149,500
	<b>Sub Total</b>		<b>237,664</b>	<b>282,336</b>	-	-	-	-	-	-	<b>520,000</b>
25	Milton Childcare Sufficiency	CorpRsv	69,784								69,784

## APPENDIX E

### CHILDREN, FAMILIES & EDUCATION PORTFOLIO

### CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp.	Revised	Estimate for	Estimate for	Estimate for	Estimate for	Estimate for	Exp.	Final Cost
			to 31 Mar 2020	Estimate for 2020 / 21	2021 / 22	2022 / 23	2023 / 24	2024 / 25	2024 / 25	in Subsequent Years	
26	Forest School at Foxes Forest - Community Accessible Education Centre	CorpRsv	-	30,000							30,000
27	Early Year Places Provision	GGR(DCSF)SSEYC	10,798								10,798
28	Maintained Schools - Urgent Conditions Projects	CorpRsv	-	132,100							132,100
		CP(DCSF)BN	269,717	(20,417)							249,300
		CP(DCSF)CM	-	568,219	705,000						1,273,219
		OC	-	100,000							100,000
<b>Sub Total</b>			<b>269,717</b>	<b>779,902</b>	<b>705,000</b>	-	-	-	-	-	<b>1,754,619</b>
29	Additional Special School Places - The Lantern	CorpRsv	13,099								13,099
		UBIR	486,001								486,001
		CP(ESFA)SEND	538,500								538,500
		CP(DCSF)BN	70,604	26,104							96,708
<b>Sub Total</b>			<b>1,108,204</b>	<b>26,104</b>	-	-	-	-	-	-	<b>1,134,308</b>
30	Additional School Places in Mainstream Schools - Design	CorpRsv	51,572	198,428							250,000
31	Additional Secondary School Places - St Edmunds	CP(DCSF)BN	650,148								650,148
32	Additional School Places - 2020/21	CP(DCSF)BN	-		2,200,000						2,200,000
33	Sufficiency at Wymering Site improvement	CorpRsv	6,640	63,360							70,000
		CP(DCSF)BN	-	150,000							150,000
<b>Sub Total</b>			<b>6,640</b>	<b>213,360</b>	-	-	-	-	-	-	<b>220,000</b>
34	Wimbourne Amalgamation	CP(DCSF)BN	-	87,000							87,000

## APPENDIX E

### CHILDREN, FAMILIES & EDUCATION PORTFOLIO

### CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of	Exp. to	Revised Estimate for	Estimate for	Estimate for	Estimate for	Estimate for	Estimate for	Exp. in	Final
		Finance	31 Mar 2020	2020 / 21	2021 / 22	2022 / 23	2023 / 24	2024 / 25	2024 / 25	Subsequent Years	Cost
35	School Places - SEND Phase 1 & Phase 2	CIL	-								0
		S106(EC)	-		22,400						22,400
		CP(DCSF)BN	-		1,320,762						1,320,762
	<b>Sub Total</b>		-	-	<b>1,343,162</b>	-	-	-	-	-	<b>1,343,162</b>
36	Northern Parade Family Hub	RCCO	-	25,000							25,000
37	Replacement Education Case Mmgt System	CorpRsv	-	937,500	312,500						1,250,000
38	Maintained Schools - Urgent Conditions Projects (2 year Planned Programme 2021/22 to 2022/23)	CorpRsv	-	750,000	750,000						1,500,000
		OC	-	41,700	41,700						83,400
	<b>Sub Total</b>		-	<b>791,700</b>	<b>791,700</b>	-	-	-	-	-	<b>1,583,400</b>
39	Accommodation for Special Education Needs (additional School Places)	CorpRsv	-	665,720	673,180						1,338,900
		CIL	-	335,100		1,977,600					2,312,700
		CP(DCSF)CM	-		1,484,226	84,874					1,569,100
		CP(ESFA)SEND	-	256,900							256,900
		CP(DCSF)BN	-			2,464,134					2,464,134
	<b>Sub Total</b>		-	<b>1,257,720</b>	<b>2,157,406</b>	<b>4,526,608</b>	-	-	-	-	<b>7,941,734</b>
40	Acquisition of Mosaic Mobile Work Force Cloud Technology	CorpRsv	-	416,100							416,100
		CROC	-	128,900							128,900
	<b>Sub Total</b>		-	<b>545,000</b>	-	-	-	-	-	-	<b>545,000</b>
<b>Grand Total</b>				<b>43,192,805</b>	<b>19,766,854</b>	<b>7,584,768</b>	<b>4,601,608</b>	<b>42,800</b>	-	-	<b>75,188,835</b>



**COMMUNITIES & CENTRAL SERVICES PORTFOLIO**

**CAPITAL PROGRAMME**

Item Description of Scheme No.	Identified Source of Finance	Exp. to 31 Mar 2020	Revised Estimate		Estimate for 2022 / 23	Estimate for 2023 / 24	Estimate for 2024 / 25	Estimate for 2024 / 25	Exp. in Subsequent Years	Final Cost
			Estimate for 2020 / 21	Estimate for 2021 / 22						
1 Portico - Capital Advances	UB	10,394,000		177,250						10,571,250
	OG(DCLG)CD	250,000								250,000
<b>Sub Total</b>		<b>10,644,000</b>	<b>-</b>	<b>177,250</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,821,250</b>
2 Port Leased Plant & Equipment - Portico Crane	UB	720,247	2,326,450							3,046,697
3 IS Road Map	CorpRsv	144,700	321,900	90,392						556,992
	OG(DCLG)CD	321,482								321,482
	CP(DCLG)DFG	151,400								151,400
	CRGG	2,320								2,320
	CP(DFT)IT	196,000								196,000
	ITR	223,470		9,706						233,176
<b>Sub Total</b>		<b>1,039,372</b>	<b>321,900</b>	<b>100,098</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,461,370</b>
4 PSN CoCo Compliance	CorpRsv	6,118	29,393	63,258						98,769
	OG(DCLG)CD	99,384								99,384
	ITR	42,240	4,607							46,847
<b>Sub Total</b>		<b>147,742</b>	<b>34,000</b>	<b>63,258</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>245,000</b>
5 IS - Server & Database	CorpRsv	57,218	48,210							105,428
	UB	94,572								94,572
<b>Sub Total</b>		<b>151,790</b>	<b>48,210</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>200,000</b>
6 Working Anywhere	CorpRsv	172,508	47,388	17,269						237,165
	OG(DCLG)CD	67,344								67,344
	MTRS	47,325								47,325
	CP(DCLG)DFG	626,166								626,166
<b>Sub Total</b>		<b>913,343</b>	<b>47,388</b>	<b>17,269</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>978,000</b>

**COMMUNITIES & CENTRAL SERVICES PORTFOLIO**

**CAPITAL PROGRAMME**

Item Description of Scheme No.	Identified Source of Finance	Exp. to 31 Mar 2020	Revised		Estimate for 2022 / 23	Estimate for 2023 / 24	Estimate for 2024 / 25	Estimate for 2024 / 25	Exp. in Subsequent Years	Final Cost
			Estimate for 2020 / 21	Estimate for 2021 / 22						
7 Channel Shift Phase 1	CorpRsv	652,493	-	-	-	-	-	-	-	652,493
8 Channel Shift Phase 2	CorpRsv	324,739	147,197	110,564	-	-	-	-	-	582,500
9 Portsmouth Hive Project	CorpRsv	40,343	6,699	-	-	-	-	-	-	47,042
	OC	28,358	-	-	-	-	-	-	-	28,358
<b>Sub Total</b>		<b>68,701</b>	<b>6,699</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>75,400</b>
10 Local Full Fibre Network Project	OG	180,000	975,000	2,645,000	-	-	-	-	-	3,800,000
	CorpRsv	97,302	180,000	134,000	88,698	-	-	-	-	500,000
<b>Sub Total</b>		<b>277,302</b>	<b>1,155,000</b>	<b>2,779,000</b>	<b>88,698</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,300,000</b>
11 Windows 10 Upgrade & Hardware Refresh	CorpRsv	1,885,514	-	-	-	-	-	-	-	1,885,514
	RCCO	271,700	-	-	-	-	-	-	-	271,700
<b>Sub Total</b>		<b>2,157,214</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,157,214</b>
12 Review of Revenues & Benefits Software Applications	CorpRsv	-	577,200	63,100	-	-	-	-	-	640,300
	OR	-	-	262,600	-	-	-	-	-	262,600
<b>Sub Total</b>		<b>-</b>	<b>577,200</b>	<b>325,700</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>902,900</b>
13 The People's Network - Windows 10 Upgrade	CorpRsv	-	-	350,000	-	-	-	-	-	350,000
14 Modern Ways of Working	MTRS	643,688	356,312	-	-	-	-	-	-	1,000,000
	OR	-	1,031,888	700,576	-	-	-	-	-	1,732,464
	CorpRsv	84,100	353,694	244,000	-	-	-	-	-	681,794
<b>Sub Total</b>		<b>727,788</b>	<b>1,741,894</b>	<b>944,576</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,414,258</b>
15 Archive Tool	CorpRsv	-	223,600	576,400	-	-	-	-	-	800,000

**COMMUNITIES & CENTRAL SERVICES PORTFOLIO**

**CAPITAL PROGRAMME**

Item Description of Scheme No.	Identified Source of Finance	Exp. to 31 Mar 2020	Revised Estimate for 2020 / 21	Estimate for 2021 / 22	Estimate for 2022 / 23	Estimate for 2023 / 24	Estimate for 2024 / 25	Estimate for 2024 / 25	Exp. in Subsequent Years	Final Cost
16 Portico Capital Invest. Loan	UB	2,500,000	3,500,000	6,000,000	3,000,000					15,000,000
17 Portico Freight System	OG	-		400,000						400,000
18 Ground Floor Reception Improvements	CorpRsv	88,670		-	-	-	-	-	-	88,670
19 Applications Upgrade linked to Software Modernisation	MTRS	-		250,000						250,000
20 Office 365	MTRS	-	820,000							820,000
	CorpRsv		215,000							215,000
	CROC		200,000							200,000
<b>Sub Total</b>		-	<b>1,235,000</b>	-	-	-	-	-	-	<b>1,235,000</b>
21 LAN Access Switches	CorpRsv	-		528,000						528,000
22 Enterprise Voice (CISCO IPT)	CorpRsv	-		252,000	378,000					630,000
23 Replacement Servers & Storage	CROC	-	9,500	935,500						945,000
24 Migration to Azure (Cloud Servers)	MTRS	-	400,000	1,223,000	725,000					2,348,000
25 Implementation of Northgate Citizen Access Suite	MTRS	-		110,000						110,000
	OC	-		70,000						70,000
<b>Sub Total</b>		-	-	<b>180,000</b>	-	-	-	-	-	<b>180,000</b>
26 CISCO Data Centre Switches	CorpRsv	-		60,000						60,000
27 Checkpoint Internall Firewall	CRGG	-		142,000						142,000

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## APPENDIX E

### COMMUNITIES & CENTRAL SERVICES PORTFOLIO

### CAPITAL PROGRAMME

Item Description of Scheme No.	Identified Source of	Exp. to	Revised					Estimate for	Estimate for	Estimate for	Estimate for	Estimate for	Final Cost
			Estimate for	Estimate for	Estimate for	Estimate for	Estimate for						
	Finance	31 Mar 2020	2020 / 21	2021 / 22	2022 / 23	2023 / 24	2024 / 25	2024 / 25	2024 / 25	2024 / 25	2024 / 25	Exp. in Subsequent Years	
28 Replacement of Planet Press	CorpRsv	-		7,100									7,100
	CROC	-		300,300									300,300
	CRGG	-		120,200									120,200
	CP(DFT)IT	-		22,400									22,400
<b>Sub Total</b>		-	-	<b>450,000</b>	-	-	-	-	-	-	-	-	<b>450,000</b>
29 Replacement Legal Case Management System	CROC	-	24,900										24,900
	CRGG	-	35,100										35,100
<b>Sub Total</b>		-	<b>60,000</b>	-	-	-	-	-	-	-	-	-	<b>60,000</b>
<b>Grand Total</b>		<b>20,413,401</b>	<b>11,834,038</b>	<b>15,864,615</b>	<b>4,191,698</b>	-	-	-	-	-	-	-	<b>52,303,752</b>

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**COMMUNITY SAFETY PORTFOLIO**

**CAPITAL PROGRAMME**

Item Description of Scheme No.	Identified Source of Finance	Exp.	Revised	Estimate for	Estimate for	Estimate for	Estimate for	Estimate for	Exp.	Final
		to 31 Mar 2020	Estimate for 2020 / 21	2021 / 22	2022 / 23	2023 / 24	2024 / 25	2024 / 25	in Subsequent Years	Cost
1 CCTV Upgrades	GGNR(HO)SSC	69,500								69,500
	RCCO	217,306	5,194							222,500
	PR	147,100								147,100
	CorpRsv	81,515	10,000							91,515
	S106(OS)	-	40,000							40,000
<b>Sub Total</b>		<b>515,421</b>	<b>55,194</b>	-	-	-	-	-	-	<b>570,615</b>
2 CCTV Systems & Control Room Infrastructure	CorpRsv	133,190								133,190
	OG(PHE)CS	15,000								15,000
<b>Sub Total</b>		<b>148,190</b>	-	-	-	-	-	-	-	<b>148,190</b>
3 Refresh of CCTV Control Room Infrastructure	CorpRsv	-	25,000							25,000
4.3 Additional Redeployable CCTV Cameras	CorpRsv	-	25,000							25,000
<b>Grand Total</b>		<b>663,611</b>	<b>105,194</b>	-	-	-	-	-	-	<b>768,805</b>

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## APPENDIX E

### CULTURE, LEISURE & ECONOMIC DEVELOPMENT

### CAPITAL PROGRAMME

Item Description of Scheme No.	Identified Source of Finance	Exp. to 31 Mar 2020	Revised Estimate for 2020 / 21	Estimate for 2021 / 22	Estimate for 2022 / 23	Estimate for 2023 / 24	Estimate for 2024 / 25	Estimate for 2024 / 25	Exp. in Subsequent Years	Final Cost
1 Hilsea Splashpool	CorpRsv	82,888								82,888
	S106(OS)	292,366								292,366
<b>Sub Total</b>		<b>375,254</b>	-	-	-	-	-	-	-	<b>375,254</b>
2 Coastal Communities Bid (ARTches)	CorpRsv	102,007	28,516							130,523
	CP(DFT)IT	100,000								100,000
	OG	1,567,185	1,449							1,568,634
	OG(DCLG)CD	44,972								44,972
	PUSH	40,000								40,000
<b>Sub Total</b>		<b>1,854,164</b>	<b>29,965</b>	-	-	-	-	-	-	<b>1,884,129</b>
3 Southsea Seafront Investment - D Day 75	CorpRsv	528,872								528,872
	LOT	2,793,537	(84,723)	-						2,708,814
	OG	700,819								700,819
	OC	138,414	76,646							215,060
<b>Sub Total</b>		<b>4,161,642</b>	<b>(8,077)</b>	-	-	-	-	-	-	<b>4,153,565</b>
4 Drayton Park - Tennis Court Conversion	S106(OS)	135,000								135,000
	CorpRsv	81,524								81,524
<b>Sub Total</b>		<b>216,524</b>	-	-	-	-	-	-	-	<b>216,524</b>
5 D Day Museum	CorpRsv	158,336	6,664							165,000
6 DDAY Landscaping Works	OG	481,885	118,115							600,000
7 Round Tower Improvement Works	CP(DCSF)CM	4,945								4,945
8 Sports and Leisure Facilities Investment	UB	1,272,494		1,027,506						2,300,000

## APPENDIX E

### CULTURE, LEISURE & ECONOMIC DEVELOPMENT

### CAPITAL PROGRAMME

Item Description of Scheme No.	Identified Source of Finance	Exp. to 31 Mar 2020	Revised Estimate for 2020 / 21	Estimate for 2021 / 22	Estimate for 2022 / 23	Estimate for 2023 / 24	Estimate for 2024 / 25	Estimate for 2024 / 25	Exp. in Subsequent Years	Final Cost
9 In-house Parks' Mobilisation - Vehicles & Equipment	CorpRsv RCCO	379,537	218,403	10,970						379,537 229,373
<b>Sub Total</b>		<b>379,537</b>	<b>218,403</b>	<b>10,970</b>	-	-	-	-	-	<b>608,910</b>
10 Charles Dickens' Gardens	CorpRsv CRGG	11,479								11,479 15,600
<b>Sub Total</b>		<b>27,079</b>	-	-	-	-	-	-	-	<b>27,079</b>
11 Edwardian Seafront Shelter	CorpRsv CILNRsv	234		69,766						70,000 10,000
<b>Sub Total</b>		<b>234</b>	-	<b>79,766</b>	-	-	-	-	-	<b>80,000</b>
12 Re-provision of Bandstand at West Battery Gardens	CorpRsv	23,870	1,130							25,000
13 Kingston Recreation Ground Play Improvements	OC CILNRsv CorpRsv	323,361								323,361 5,000 474
<b>Sub Total</b>		<b>328,361</b>	-	-	-	-	-	-	-	<b>328,361</b>
14 New Fountain Refurbishment at Southsea Castle	CorpRsv CROC	438,966	2,634							441,600 38,400
<b>Sub Total</b>		<b>477,366</b>	<b>2,634</b>	-	-	-	-	-	-	<b>480,000</b>
15 Water Safety Equipment	CorpRsv RCCO	36,232								36,232 63,768
<b>Sub Total</b>		<b>36,232</b>	<b>5,000</b>	<b>58,768</b>	-	-	-	-	-	<b>100,000</b>

## APPENDIX E

### CULTURE, LEISURE & ECONOMIC DEVELOPMENT

### CAPITAL PROGRAMME

Item Description of Scheme No.	Identified Source of Finance	Exp. to 31 Mar 2020	Revised Estimate for 2020 / 21	Estimate for 2021 / 22	Estimate for 2022 / 23	Estimate for 2023 / 24	Estimate for 2024 / 25	Estimate for 2024 / 25	Exp. in Subsequent Years	Final Cost
16 Farlington Pavilion Refurbishment	CorpRsv			61,900						61,900
	S106(OS)			8,100						8,100
	CP(DFT)IT			170,000						170,000
	OC			70,000						70,000
<b>Sub Total</b>		-	-	<b>310,000</b>	-	-	-	-	-	<b>310,000</b>
17 Lumps Fort Sun Huts Maintenance / Replacement	CorpRsv	55,150	9,851							65,001
18 Milton Park Barn Thatched Roof	CorpRsv	138,518								138,518
19 Victoria Park Heritage Lottery Fund	CorpRsv		37,000	46,000	12,000	79,000	76,000			250,000
	LOT		123,000	220,000	138,000	921,000	899,800			2,301,800
<b>Sub Total</b>		-	<b>160,000</b>	<b>266,000</b>	<b>150,000</b>	<b>1,000,000</b>	<b>975,800</b>	-	-	<b>2,551,800</b>
20 Disabled Beach Buggies and Access Mat	CROC	3,164	6,000	10,836						20,000
21 Allotment Security Grants	CROC	31,233								31,233
22 Outdoor Fitness Equipment	CorpRsv	40,743		19,857						60,600
23 Track Re-surfacing - MBC and Bransbury AWP	CorpRsv	161,429								161,429
24 Parks & Open Spaces Protection Measures to Prevent Incursion	S106(OS)	10,000								10,000
	CorpRsv	2,840								2,840
<b>Sub Total</b>		<b>12,840</b>	-	-	-	-	-	-	-	<b>12,840</b>



## APPENDIX E

### CULTURE, LEISURE & ECONOMIC DEVELOPMENT

### CAPITAL PROGRAMME

Item Description of Scheme No.	Identified Source of Finance	Exp. to 31 Mar 2020	Revised Estimate for 2020 / 21	Estimate for 2021 / 22	Estimate for 2022 / 23	Estimate for 2023 / 24	Estimate for 2024 / 25	Estimate for 2024 / 25	Exp. in Subsequent Years	Final Cost
25 Pyramids Refurbishment	CorpRsv		1,829,800	63,682						1,893,482
	CP(DFT)IT			101,904						101,904
	OR		405,000							405,000
	MTRS		450,000							450,000
<b>Sub Total</b>		-	<b>2,684,800</b>	<b>165,586</b>	-	-	-	-	-	<b>2,850,386</b>
26 Repair/Refurbishment of Southsea Splashpool	CorpRsv	101,073	927							102,000
27 World War 1 Memorial Plaques	CROC	-	3,500	41,500						45,000
28 Contribution to Roof Repairs at Southsea Skatepark	S106(OS)			10,000						10,000
29 Cont to Architectural Design to Enable Regeneration - Guildhall	CorpRsv	37,929		2,071						40,000
30 Cont to Architectural Design to Enable Regeneration - Kings Theatre	CorpRsv	27,235		12,765						40,000
31 Palmerston Road Improvements	CorpRsv	345,111		32,649				122,240		500,000
32 Brougham Road (Arts Centre) - External Repairs	CorpRsv	-	167,000							167,000
	CP(DFT)IT	-	83,000							83,000
<b>Sub Total</b>		-	<b>250,000</b>	-	-	-	-	-	-	<b>250,000</b>
33 Southsea Common & Town Centres Litter Management	CorpRsv		50,000							50,000

## APPENDIX E

### CULTURE, LEISURE & ECONOMIC DEVELOPMENT

### CAPITAL PROGRAMME

Item Description of Scheme No.	Identified Source of Finance	Exp. to 31 Mar 2020	Revised Estimate for 2020 / 21	Estimate for 2021 / 22	Estimate for 2022 / 23	Estimate for 2023 / 24	Estimate for 2024 / 25	Estimate for 2024 / 25	Exp. in Subsequent Years	Final Cost
34 Parks & Open Space Boundary Protection Measures	PR		10,000							10,000
	CorpRsv		20,000							20,000
<b>Sub Total</b>		-	<b>30,000</b>	-	-	-	-	-	-	<b>30,000</b>
35 CCTV - Portsmouth Museum & Cumberland House	CP(DFT)IT		50,000							50,000
36 City Museum	CP(DFT)IT		50,000	145,000						195,000
37 Burfields Road Barns - Demolition	CorpRsv		-	70,000						70,000
	CP(DFT)IT			92,000						92,000
<b>Sub Total</b>		-	-	<b>162,000</b>	-	-	-	-	-	<b>162,000</b>
38 Hotwalls' Paving Maintenance	CorpRsv		47,000							47,000
39 Portsmouth Watersports Centre	CP(DFT)IT			90,000						90,000
40 Southsea Castle	CP(DFT)IT		100,000							100,000
41 Bransbury Park Pavillion	CP(DFT)IT			150,000						150,000
42 Kings Theatre Regeneration	UB				3,000,000					3,000,000
	CorpRsv			150,000						150,000
	OC			1,300,000						1,300,000
<b>Sub Total</b>		-	-	<b>1,450,000</b>	<b>3,000,000</b>					<b>4,450,000</b>
43 Kings Theatre Landlords Backlog Maintenance Obligations	CP(DFT)IT			300,000						300,000
44 Guildhall Regeneration	UB			850,000	850,000					1,700,000

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### CULTURE, LEISURE & ECONOMIC DEVELOPMENT

### CAPITAL PROGRAMME

Item Description of Scheme No.	Identified Source of Finance	Exp. to 31 Mar 2020	Revised Estimate for 2020 / 21	Estimate for 2021 / 22	Estimate for 2022 / 23	Estimate for 2023 / 24	Estimate for 2024 / 25	Estimate for 2024 / 25	Exp. in Subsequent Years	Final Cost
45 New Theatre Royal Loan W'off	CROC	(150,000)							-	150,000
46 Future High Streets Commercial Rd	OG			2,091,000	978,000	36,000	17,375			3,122,375
	UB			2,000,000						2,000,000
<b>Sub Total</b>		-	-	<b>4,091,000</b>	<b>978,000</b>	<b>36,000</b>	<b>17,375</b>	-	-	<b>5,122,375</b>
47 Future High Streets Fratton Rd	OG			3,157,000	669,000	26,000	6,489			3,858,489
48 Cosham Library - Refurbishment of library space	CorpRsv		37,000							37,000
49 Southsea Castle - External Stone Repairs	CorpRsv		47,500	142,500						190,000
50 Invest in Football Facilities Including Changing Facilities	CorpRsv				615,000	303,000				918,000
	OC				2,000,000					2,000,000
	S106(OS)					19,000				19,000
	CROC					13,000				13,000
	OC					253,000				253,000
<b>Sub Total</b>		-	-	-	<b>2,615,000</b>	<b>588,000</b>	-	-	-	<b>3,203,000</b>
										0
51 Seafront Litter Management	CorpRsv		35,000							35,000
52 Re-provision of Leisure Centre, Pool & Community Centre	CorpRsv		4,150,000	4,150,000						8,300,000
	UB		1,100,000	1,100,000						2,200,000
	OC		1,000,000	1,000,000						2,000,000
<b>Sub Total</b>		-	<b>6,250,000</b>	<b>6,250,000</b>	-	-	-	-	-	<b>12,500,000</b>
53 Palmerston Forts (Widley & Purbrook) - Backlog Maintenance	CorpRsv		250,000							250,000

## APPENDIX E

### CULTURE, LEISURE & ECONOMIC DEVELOPMENT

### CAPITAL PROGRAMME

Item Description of Scheme No.	Identified Source of Finance	Exp. to 31 Mar 2020	Revised Estimate for 2020 / 21	Estimate for 2021 / 22	Estimate for 2022 / 23	Estimate for 2023 / 24	Estimate for 2024 / 25	Estimate for 2024 / 25	Exp. in Subsequent Years	Final Cost
54 Loan to Pompey in the Community - John Jenkins Centre (Copnor/Baffins)	UB	800,000				800,000				
<b>Grand Total</b>		<b>10,602,822</b>	<b>10,435,412</b>	<b>18,835,774</b>	<b>9,062,000</b>	<b>1,650,000</b>	<b>999,664</b>	<b>-</b>	<b>122,240</b>	<b>51,707,912</b>

**ENVIRONMENT & CLIMATE CHANGE PORTFOLIO**

**CAPITAL PROGRAMME**

Item Description of Scheme No.	Identified Source of Finance	Exp. to 31 Mar 2020	Revised Estimate for 2020 / 21	Estimate for 2021 / 22	Estimate for 2022 / 23	Estimate for 2023 / 24	Estimate for 2024 / 25	Estimate for 2024 / 25	Exp. in Subsequent Years	Final Cost
1 Household Waste Collection	CorpRsv	91,933	19,267							111,200
2 Public Toilets New Provision, across the City	CorpRsv	224,776	155,224							380,000
3 Wheeled Bins for Refuse	CorpRsv	1,010,227	109,773							1,120,000
4 Dog Kennels Vehicles	CorpRsv	9,549		8,451						18,000
5 Air Quality Equipment & Monitoring Station	CorpRsv	-	80,000	20,000						100,000
6 Air Quality Initiatives	CorpRsv	-	150,000							150,000
7 Single Material Recycling Facility	UB	-			4,838,400					4,838,400
8 Waste collection Vehicle Replacement	UB	-		2,125,000	2,000,000					4,125,000
9 Replacement of WC Hand Washing and Drying Units	CorpRsv	130,047								130,047
10 Food Waste Recycling - Pilot	CorpRsv CP(DFT)IT	105,631 -	186,769 29,200	88,400						380,800 29,200
<b>Sub Total</b>		<b>105,631</b>	<b>215,969</b>	<b>88,400</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>410,000</b>
11 Anaerobic Digestion Plant	CorpRsv UB	- -	200,000		22,000,000					200,000 22,000,000
<b>Sub Total</b>		<b>-</b>	<b>200,000</b>	<b>22,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22,200,000</b>
12 Greening the City	CorpRsv	-	100,000							100,000
13 Energy Recovery Facilities - Emissions control equipment upgrade	CorpRsv	-				115,000				115,000
14 High Street Improvements & Greening The City	CorpRsv	-	175,000							175,000

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## APPENDIX E

### ENVIRONMENT & CLIMATE CHANGE PORTFOLIO

### CAPITAL PROGRAMME

Item Description of Scheme No.	Identified Source of Finance	Exp. to 31 Mar 2020	Revised Estimate for 2020 / 21	Estimate for 2021 / 22	Estimate for 2022 / 23	Estimate for 2023 / 24	Estimate for 2024 / 25	Estimate for 2024 / 25	Exp. in Subsequent Years	Final Cost
15 Southsea Sea Defences - Public Realm Enhancements	CorpRsv	-	200,000							200,000
16 Additional 2 Food Waste Recycling Vehicles	CorpRsv	-	340,000							340,000
<b>Grand Total</b>		<b>1,572,163</b>	<b>1,745,233</b>	<b>24,241,851</b>	<b>6,838,400</b>	<b>115,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>34,512,647</b>

## APPENDIX E

### HEALTH, WELLBEING & SOCIAL CARE PORTFOLIO

### CAPITAL PROGRAMME

Item Description of Scheme No.	Identified Source of	Exp. to	Revised Estimate for	Estimate for	Estimate for	Estimate for	Estimate for	Estimate for	Exp. in Subsequent Years	Final Cost
	Finance	31 Mar 2020	2020 / 21	2021 / 22	2022 / 23	2023 / 24	2024 / 25	2024 / 25		
1 Reconfiguration of Corben Lodge	S106(Hsg)	59,000								59,000
	CP(DCSF)CM	1,091,000								1,091,000
	OC	992,375								992,375
<b>Sub Total</b>		<b>2,142,375</b>	-	-	-	-	-	-	-	<b>2,142,375</b>
2 Swift Software Replacement	CROC	80,200								80,200
	CRGG	700								700
	CorpRsv	93,920	27,174							121,094
	CP(DH)CG	319,100								319,100
	OR	263,000								263,000
	BCF(OG)DOH	496,000								496,000
	GGR(DH)CAF	51,383								51,383
<b>Sub Total</b>		<b>1,304,303</b>	<b>27,174</b>	-	-	-	-	-	-	<b>1,331,477</b>
3 Shearwater House - Backup Power Supply	CorpRsv	65,849								65,849
4 Oakdene SJH Purchase & Remodelling	OC	89,357	107,461							196,818
	UB	-	634,200	35,800						670,000
	CorpRsv	150,000	113,182							263,182
	RCCO	-	426,416							426,416
	UBIR	1,041,758								1,041,758
	OR	10,826								10,826
<b>Sub Total</b>		<b>1,291,941</b>	<b>1,281,259</b>	<b>35,800</b>	-	-	-	-	-	<b>2,609,000</b>
5 Older Persons Supported Living (Extra Care Housing)	CorpRsv	-	2,000,000	2,506,300						4,506,300
	CP(DH)CG	70,000	23,700							93,700
	UB	-		2,626,000	3,210,000					5,836,000
	OR	162,051		837,949						1,000,000
	BCF(DFG)DCLG	-	1,100,000	194,000						1,294,000
<b>Sub Total</b>		<b>232,051</b>	<b>3,123,700</b>	<b>6,164,249</b>	<b>3,210,000</b>	-	-	-	-	<b>12,730,000</b>

## APPENDIX E

### HEALTH, WELLBEING & SOCIAL CARE PORTFOLIO

### CAPITAL PROGRAMME

Item Description of Scheme No.	Identified Source of	Exp. to	Revised Estimate					Estimate for	Estimate for	Estimate for	Estimate for	Exp. in Subsequent Years	Final Cost
			31 Mar 2020	2020 / 21	2021 / 22	2022 / 23	2023 / 24						
6 Kestrel Centre Relocation to Civic Offices	CorpRsv	212,308										212,308	
	OC	100,000										100,000	
<b>Sub Total</b>		<b>312,308</b>	-	-	-	-	-	-	-	-	-	<b>312,308</b>	
7 Medina House - Heating & Cooling System	CorpRsv	-		110,000								110,000	
8 49 Bevis Road (Alcohol Treatment Centre)	OG	-	249,000									249,000	
	RCCO	-	7,000									7,000	
<b>Sub Total</b>		<b>-</b>	<b>256,000</b>	-	-	-	-	-	-	-	-	<b>256,000</b>	
<b>Grand Total</b>		<b>5,348,827</b>	<b>4,688,133</b>	<b>6,310,049</b>	<b>3,210,000</b>	-	-	-	-	-	-	<b>19,557,009</b>	

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**LEADER PORTFOLIO**

**CAPITAL PROGRAMME**

Item Description of Scheme No.	Identified Source of	Exp. to	Revised Estimate					Estimate for	Estimate for	Exp. in Subsequent Years	Final Cost
			31 Mar 2020	2020 / 21	2021 / 22	2022 / 23	2023 / 24				
1 Horsea Island Country Park - Fencing	CorpRsv	-	5,200							5,200	
	S106(OS)	22,209	90,100							112,309	
	CP(DFT)IT	4,135	10,065							14,200	
<b>Sub Total</b>		<b>26,344</b>	<b>105,365</b>	-	-	-	-	-	-	<b>131,709</b>	
2 Sainsbury's Acquisition	CIL	-	6,500,000							6,500,000	
3 Redevelopment of City Centre	CIL	-		1,000,000						1,000,000	
4 Dunsbury Hill Farm - Access Road	UBIR	280,440								280,440	
	OG(DCLG)CD	568,954								568,954	
	OC	4,540,000								4,540,000	
	LEP	241,078								241,078	
	UB	4,805,437		300,000	49,091					5,154,528	
<b>Sub Total</b>		<b>10,435,909</b>	-	<b>300,000</b>	<b>49,091</b>	-	-	-	-	<b>10,785,000</b>	
5 Dunsbury Hill - Utilities & Enabling	UB	11,227,276	687,023	105,000						12,019,299	
6 Dunsbury Hill - Plot 2	UB	2,476,896								2,476,896	
	LEP	7,176,000								7,176,000	
<b>Sub Total</b>		<b>9,652,896</b>	-	-	-	-	-	-	-	<b>9,652,896</b>	
7 Dunsbury Hill - Plot 3	UBIR	19,047								19,047	
	UB	6,739,133	234,820	102,000	205,000					7,280,953	
	OC	89,922								89,922	
<b>Sub Total</b>		<b>6,848,102</b>	<b>234,820</b>	<b>102,000</b>	<b>205,000</b>	-	-	-	-	<b>7,389,922</b>	
8 Dunsbury Hill Farm- Master Plan	UB	14,843	65,157	7,700,000	9,600,000	9,000,000	10,200,000			36,580,000	
9 Dunsbury Hill Farm- Plot 4a	UB	33,918	3,366,082	10,000,000						13,400,000	

## APPENDIX E

### LEADER PORTFOLIO

### CAPITAL PROGRAMME

Item Description of Scheme No.	Identified Source of Finance	Exp. to 31 Mar 2020	Revised Estimate		Estimate for 2022 / 23	Estimate for 2023 / 24	Estimate for 2024 / 25	Estimate for 2024 / 25	Exp. in Subsequent Years	Final Cost
			Estimate for 2020 / 21	Estimate for 2021 / 22						
10 Tipner Regeneration (previously City Deal)	OG(DCLG)CD	4,072,035								4,072,035
	CorpRsv	-		1,098,766	129,021					1,227,787
	CIL	-			972,213					972,213
	OC	121,089								121,089
	ORCD	-				1,636,380				1,636,380
	UB	22,004		2,171,538	525,784	408,941				3,128,267
	CP(DCSF)CM	3,546,543	175,908							3,722,451
	CP(DCSF)BN	-	4,478,312							4,478,312
	CP(DH)CG	654,533								654,533
	CP(DFT)IT	-	256,699			3,194,583				3,451,282
	CP(DFT)HM	721	2,013,573							2,014,294
	CP(DCLG)DFG	206,864	459,183							666,047
	CRGG	-				769,589				769,589
	CorpRsv	-				1,700,000				1,700,000
	MTRS	775,705								775,705
	ORCD	730,000				9,537,738				10,267,738
	OR	-	4,576,324			7,008,410	1,807,266			13,392,000
	CP(EFA)2YR	131,252	200,404							331,656
	S106(ST)	-	161,376							161,376
S106(OS)	-	105,515							105,515	
<b>Sub Total</b>		<b>10,260,746</b>	<b>12,427,294</b>	<b>3,270,304</b>	<b>1,627,018</b>	<b>24,255,641</b>	<b>1,807,266</b>	<b>-</b>	<b>-</b>	<b>53,648,269</b>
11 Local Enterprise Partnership	OC	25,643,217								25,643,217
	LEP	76,651,395	71,516,240							148,167,635
	LEP(DCLG)	1,208,575	91,425	150,000						1,450,000
	LEP(OG)	6,672,217	417,783	-						7,090,000
	LEP(MHCLG)	-	7,950,000	7,950,000						15,900,000
	LEP(ERDF)	36,908								36,908
	UB	7,417,100								7,417,100
	CorpRsv	802,300								802,300
	CRGG	456,600								456,600
<b>Sub Total</b>		<b>118,888,312</b>	<b>79,975,448</b>	<b>8,100,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>206,963,760</b>

## APPENDIX E

### LEADER PORTFOLIO

### CAPITAL PROGRAMME

Item Description of Scheme No.	Identified Source of	Exp. to 31 Mar 2020	Revised Estimate for 2020 / 21	Estimate for 2021 / 22	Estimate for 2022 / 23	Estimate for 2023 / 24	Estimate for 2024 / 25	Estimate for 2024 / 25	Exp. in Subsequent Years	Final Cost
12 Medina House Refurbishment	CorpRsv	444,522								444,522
	OC	2,468								2,468
<b>Sub Total</b>		<b>446,990</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>446,990</b>
13 Commercial Property Acquisition Fund	UB	171,837,966	11,077,722							182,915,688
	OC	106,800								106,800
<b>Sub Total</b>		<b>171,944,766</b>	<b>11,077,722</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>183,022,488</b>
14 Lakeside North Harbour	UB	142,057,498	2,000,000	3,942,502						148,000,000
15 City Centre Co-Working Space	UB	-		450,000						450,000
	OC	-	900,000							900,000
<b>Sub Total</b>		<b>-</b>	<b>900,000</b>	<b>450,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,350,000</b>
16 Gosham Land Assembly (Phase 1 Development)	CorpRsv	-		1,700,000						1,700,000
<b>Grand Total</b>		<b>481,837,600</b>	<b>117,338,911</b>	<b>36,669,806</b>	<b>11,481,109</b>	<b>33,255,641</b>	<b>12,007,266</b>	<b>0</b>	<b>0</b>	<b>692,590,333</b>

**APPENDIX E**

**COMMERCIAL PORT**

**CAPITAL PROGRAMME**

Item Description of Scheme No.	Identified Source of Finance	Exp. to 31 Mar 2020	Revised Estimate				Estimate for 2023 / 24	Estimate for 2024 / 25	Estimate for 2024 / 25	Exp. in Subsequent Years	Final Cost
			for 2020 / 21	for 2021 / 22	for 2022 / 23	for 2023 / 24					
1 Port Master System	CorpRsv	152,878								152,878	
	OG(DCLG)CD	24,274								24,274	
	OC	12,538								12,538	
<b>Sub Total</b>		<b>189,690</b>	-	-	-	-	-	-	-	<b>189,690</b>	
2 Port Regeneration	OG(DCLG)CD	43,362								43,362	
	LEP	456,638								456,638	
	UB	9,457,823	1,178,048	124,129						10,760,000	
<b>Sub Total</b>		<b>9,957,823</b>	<b>1,178,048</b>	<b>124,129</b>	-	-	-	-	-	<b>11,260,000</b>	
Purchase of Linkspan Berth 3	UB	1,160,000								1,160,000	
	PR	13,000								13,000	
	CorpRsv	244,050								244,050	
<b>Sub Total</b>		<b>1,417,050</b>	-	-	-	-	-	-	-	<b>1,417,050</b>	
4 Purchase of Linkspan Berth 4	CorpRsv	260,265								260,265	
	UBIR	739,735								739,735	
	EUG	460,805								460,805	
	UB	7,350,080								7,350,080	
<b>Sub Total</b>		<b>8,810,885</b>	-	-	-	-	-	-	-	<b>8,810,885</b>	
5 AJQ Fender Modifications	RCCO	227,935								227,935	
6 Development of Cruise & Ferry Port	UB	3,772,228	1,997,565	12,824,304	500,000					19,094,097	
	CorpRsv	-	684,977							684,977	
	CRGG	-	926							926	
<b>Sub Total</b>		<b>3,772,228</b>	<b>2,683,468</b>	<b>12,824,304</b>	<b>500,000</b>	-	-	-	-	<b>19,780,000</b>	

## APPENDIX E

### COMMERCIAL PORT

### CAPITAL PROGRAMME

Item Description of Scheme No.	Identified Source of Finance	Exp. to 31 Mar 2020	Revised Estimate		Estimate for 2022 / 23	Estimate for 2023 / 24	Estimate for 2024 / 25	Estimate for 2024 / 25	Exp. in Subsequent Years	Final Cost
			Estimate for 2020 / 21	Estimate for 2021 / 22						
7 Passenger Boarding Bridge	UB	92,370	50,000	3,000,000	1,857,630					5,000,000
	PR	-			1,000,000					1,000,000
<b>Sub Total</b>		<b>92,370</b>	<b>50,000</b>	<b>3,000,000</b>	<b>2,857,630</b>	-	-	-	-	<b>6,000,000</b>
8 Anodes	CorpRsv	81,307	238,693							320,000
	UB	-	120,000							120,000
<b>Sub Total</b>		<b>81,307</b>	<b>358,693</b>	-	-	-	-	-	-	<b>440,000</b>
9 Port Freight System	CorpRsv	1,600	12,400							14,000
	OG	-	56,000							56,000
<b>Sub Total</b>		<b>1,600</b>	<b>68,400</b>	-	-	-	-	-	-	<b>70,000</b>
10 Port - Floating Dock Jetty Dredge	MTRS	-	750,000	250,000						1,000,000
	UB	-		2,000,000						2,000,000
<b>Sub Total</b>		<b>-</b>	<b>750,000</b>	<b>2,250,000</b>	-	-	-	-	-	<b>3,000,000</b>
11 Wind Turbines at Port	CorpRsv	-		100,000	700,000					800,000
	UB	-			1,900,000					1,900,000
<b>Sub Total</b>		<b>-</b>	<b>-</b>	<b>100,000</b>	<b>2,600,000</b>	-	-	-	-	<b>2,700,000</b>
12 The Camber Quay - Structural Investigations	CorpRsv	-	50,000							50,000
13 Shore to Ship Electric "Plug in" Facility (Feasibility / Design)	CorpRsv	-		75,000						75,000

## APPENDIX E

### COMMERCIAL PORT

### CAPITAL PROGRAMME

Item Description of Scheme No.	Identified Source of	Exp. to 31 Mar 2020	Revised Estimate for 2020 / 21	Estimate for 2021 / 22	Estimate for 2022 / 23	Estimate for 2023 / 24	Estimate for 2024 / 25	Estimate for 2024 / 25	Exp. in Subsequent Years	Final Cost
14 Electrification of Light Goods Vehicles	CorpRsv	-	80,000							80,000
	PR	-	20,000							20,000
<b>Sub Total</b>		-	<b>100,000</b>	-	-	-	-	-	-	<b>100,000</b>
15 Living Walls Phase 1	CorpRsv	-		20,000						20,000
<b>Grand Total</b>			<b>24,550,888</b>	<b>5,238,609</b>	<b>18,393,433</b>	<b>5,957,630</b>	-	-	-	<b>54,140,560</b>

**PLANNING, POLICY & CITY DEVELOPMENT PORTFOLIO**

**CAPITAL PROGRAMME**

Item Description of Scheme No.	Identified Source of Finance	Exp. to 31 Mar 2020	Revised Estimate for					Estimate for 2024 / 25	Exp. in Subsequent Years	Final Cost
			2020 / 21	2021 / 22	2022 / 23	2023 / 24	2024 / 25			
1 Hampshire Community Bank	UB	3,870,249	1,129,751							5,000,000
	CorpRsv	20,000	43,415							63,415
	MTRS	7,812	77,488							85,300
	OC	26,440	1,330							27,770
<b>Sub Total</b>		<b>3,924,501</b>	<b>1,251,984</b>	-	-	-	-	-	-	<b>5,176,485</b>
2 Limberline Phase III	CorpRsv	744,716								744,716
	LEP	302,284								302,284
	UB	3,488,000								3,488,000
	PR	57,772								57,772
<b>Sub Total</b>		<b>4,592,772</b>	-	-	-	-	-	-	-	<b>4,592,772</b>
3 Public Realm Improvement by The Hard	CP(DCSF)CM	-	150,000	150,000						300,000
	CWCIL	171,060	372,940						50,000	594,000
	CP(DFT)IT	200,000								200,000
<b>Sub Total</b>		<b>371,060</b>	<b>372,940</b>	-	-	-	-	-	<b>50,000</b>	<b>794,000</b>
5 City Centre Public Realm 2018-19	CWCIL	-	437,200							437,200
	CorpRsv	-	43,255							43,255
<b>Sub Total</b>		<b>-</b>	<b>480,455</b>	-	-	-	-	-	-	<b>480,455</b>
6 District Shopping Centre Improvement	CorpRsv	54,386	45,614							100,000
7 Portsea Island - Flood Cell 4: North Portsea Island - Coastal Flood and Erosion Risk Management	OGENV	21,728,533	2,224,332	4,582,535	5,478,398	4,259,832	2,304,332	3,730,649		44,308,611
	CorpRsv	-							282,000	282,000
<b>Sub Total</b>		<b>21,728,533</b>	<b>2,224,332</b>	<b>4,582,535</b>	<b>5,478,398</b>	<b>4,259,832</b>	<b>2,304,332</b>	<b>3,730,649</b>	<b>282,000</b>	<b>44,590,611</b>

**PLANNING, POLICY & CITY DEVELOPMENT PORTFOLIO**

**CAPITAL PROGRAMME**

Item Description of Scheme No.	Identified Source of Finance	Exp. to 31 Mar 2020	Revised Estimate					Estimate for 2024 / 25	Exp. in Subsequent Years	Final Cost
			Estimate for 2020 / 21	Estimate for 2021 / 22	Estimate for 2022 / 23	Estimate for 2023 / 24	Estimate for 2024 / 25			
8 Southsea Enhancement Design	S106(OS)	34,988	39,572	39,572	39,572	39,570	24,726		218,000	
9 Emergency Repairs to Southsea Sea Defences	OGENV	631,130		33,561					664,691	
10 Southsea Coastal Flood Defence	OGENV	10,160,384	5,558,507	25,173,799	20,739,949	14,993,788	11,206,682	20,985,804	108,818,913	
	PCCOC	-				4,000,000	4,000,000	3,344,667	11,344,667	
	CIL	-			4,800,000				4,800,000	
	CorpRsv	289,901	390,831		184,368				865,100	
	CP(DCSF)CM	60,935			873,965				934,900	
	LEP	-	5,000,000						5,000,000	
<b>Sub Total</b>		<b>10,511,220</b>	<b>10,949,338</b>	<b>25,173,799</b>	<b>26,598,282</b>	<b>18,993,788</b>	<b>15,206,682</b>	<b>24,330,471</b>	<b>-</b>	<b>131,763,580</b>
Old Portsmouth Seawalls' Maintenance	CorpRsv	27,947		92,053					120,000	
12 Southsea Seafront Emergency Work to Sea Defences	OGENV	582,083	211,720						793,803	
13 Southsea Sea Defences - Public Realm Enhancements Phase 1	CP(DFT)IT	-	100,000	100,000					200,000	
<b>Grand Total</b>		<b>42,458,620</b>	<b>15,825,955</b>	<b>30,171,520</b>	<b>32,116,252</b>	<b>23,293,190</b>	<b>17,535,740</b>	<b>28,061,120</b>	<b>332,000</b>	<b>189,794,397</b>

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**TRAFFIC AND TRANSPORTATION PORTFOLIO**

**CAPITAL PROGRAMME**

Item No.	Description of Scheme	Identified Source of Finance	Exp.	Revised Estimate for					Exp. in	Final Cost	
			to 31 Mar 2020	2020 / 21	2021 / 22	2022 / 23	2023 / 24	2024 / 25	2025 / 26		Subsequent Years
1	Contribution to PFI	HwayPFI	19,234,550	195,447	1,964,682	4,008,173	5,935,404	5,935,404	5,935,404	7,745,062	50,954,126
		OG(DCLG)CD	2,772,625								2,772,625
		EUG	(10,427)								(10,427)
		OG	145,167								145,167
		UB	2,306,379								2,306,379
		UBIR	7,572,663								7,572,663
		CP(DFT)HM	10,664,678	2,439,200							
<b>Sub Total</b>			<b>42,685,635</b>	<b>2,634,647</b>	<b>1,964,682</b>	<b>4,008,173</b>	<b>5,935,404</b>	<b>5,935,404</b>	<b>5,935,404</b>	<b>7,745,062</b>	<b>76,844,411</b>
2	Local Transport Plan & Road Safety 3	UB	-	70,000							70,000
		CorpRsv	-	71,743							71,743
		S278	23,644								23,644
		CP(DFT)IT	2,015,396	372,759	1,539,703	115,310					4,043,168
		CIL	-	699,500							699,500
		S106(ST)	279,283								279,283
		OG(DFT)TFSHSec31	1,215,414								1,215,414
		CP(DCSF)BN	30,000								30,000
		OG	80,000	214,515							294,515
OC	12,000								12,000		
<b>Sub Total</b>			<b>3,655,737</b>	<b>1,428,517</b>	<b>1,539,703</b>	<b>115,310</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,739,267</b>

**TRAFFIC AND TRANSPORTATION PORTFOLIO**

**CAPITAL PROGRAMME**

Item Description of Scheme No.	Identified Source of Finance	Exp. to 31 Mar 2020	Revised Estimate					Estimate for 2025 / 26	Exp. in Subsequent Years	Final Cost
			Estimate for 2020 / 21	Estimate for 2021 / 22	Estimate for 2022 / 23	Estimate for 2023 / 24	Estimate for 2024 / 25			
3 The Hard Public Transport Interchange	CIL	-								0
	UB	21,101	92,000							113,101
	UBIR	462,850								462,850
	CP(DCSF)BN	3,365,593								3,365,593
	CP(DFT)IT	12,907	8,000							20,907
	CP(DCLG)DFG	135,700								135,700
	OC	4,832,000								4,832,000
	CROC	567,092								567,092
	S106(OS)	345,800								345,800
	PARK	500,000								500,000
	OG(DFT)LSTFSec31	608,732								608,732
	OG(DFT)TFSHSec31	244,355								244,355
	CorpRsv	668,846	37,672							706,518
<b>Sub Total</b>		<b>11,764,976</b>	<b>137,672</b>	-	-	-	-	-	-	<b>11,902,648</b>
4 Replace Residential Street Lighting With LED	UB	62,985	1,512,515							1,575,500
	UBS	3,688,700								3,688,700
<b>Sub Total</b>		<b>3,751,685</b>	<b>1,512,515</b>	-	-	-	-	-	-	<b>5,264,200</b>
5 Copnor Bridge Maintenance	CorpRsv	21,555		26,445						48,000
	OC	20,480								20,480
<b>Sub Total</b>		<b>42,035</b>	-	<b>26,445</b>	-	-	-	-	-	<b>68,480</b>
6 Eastern Rd Waterbridge	CorpRsv	-	5,189							5,189
	CP(DFT)IT	997,969								997,969
	OG(DFT)Sec31	379,735								379,735
	OC	157,369								157,369
	OG	14,738		61,243						75,981
<b>Sub Total</b>		<b>1,549,811</b>	<b>5,189</b>	<b>61,243</b>	-	-	-	-	-	<b>1,616,243</b>

**TRAFFIC AND TRANSPORTATION PORTFOLIO**

**CAPITAL PROGRAMME**

Item Description of Scheme No.	Identified Source of Finance	Exp. to 31 Mar 2020	Revised Estimate for					Estimate for 2025 / 26	Exp. in Subsequent Years	Final Cost
			2020 / 21	2021 / 22	2022 / 23	Estimate for 2023 / 24	Estimate for 2024 / 25			
7 Angelsea Road Footbridge	CP(DFT)IT	664,767								664,767
	CorpRsv	-		23,000						23,000
	OC	25,385								25,385
<b>Sub Total</b>		<b>690,152</b>	<b>-</b>	<b>23,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>713,152</b>
8 Traffic Management Centre - System Review	PARK	217,838	63,380							281,218
9 Traffic Signal Upgrade Packages	CorpRsv	457,084	1,116							458,200
	S106(ST)	2,400								2,400
	S106(OS)	10,000								10,000
	CROC	15,900								15,900
	CP(DFT)IT	651,000								651,000
<b>Sub Total</b>		<b>1,136,384</b>	<b>1,116</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,137,500</b>
10 Lambard Brunel Car Park	PARK	258,688	120,000	326,312						705,000
11 Eastern Corridor Road Link Improvements	CP(DFT)NP/IF	387,082	112,918							500,000
	CP(DFT)IT	-		68,400						68,400
	OG(DFT)Sec31	-	369,120							369,120
	CorpRsv	-		351,600						351,600
<b>Sub Total</b>		<b>387,082</b>	<b>482,038</b>	<b>420,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,289,120</b>
12 Improvements to Neighbourhood Living and Street Environment (Including Verge Hardening)	CP(DFT)IT	64,552	135,448	100,000						300,000
	CorpRsv	109,819								109,819
<b>Sub Total</b>		<b>174,371</b>	<b>135,448</b>	<b>100,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>409,819</b>
13 Old Portsmouth Area a Study	CorpRsv	19,034	20,966							40,000

**TRAFFIC AND TRANSPORTATION PORTFOLIO**

**CAPITAL PROGRAMME**

Item Description of Scheme No.	Identified Source of Finance	Exp. to 31 Mar 2020	Revised Estimate for					Estimate for 2025 / 26	Exp. in Subsequent Years	Final Cost
			2020 / 21	2021 / 22	2022 / 23	2023 / 24	2024 / 25			
14 Milton Road & St Mary's Road	CP(DFT)IT	47,563		12,437					60,000	
15 Upgrade Car Park Counting Equipment (link to TMC)	PARK	-		100,000					100,000	
16 Bike Hangars	PARK	685	29,315						30,000	
17 Spur Analytics, Upgrade, Handheld Upgrade & SiDEM Archiving	PARK	-		65,000					65,000	
18 Co-operative Intelligent Transport Systems	OC	113,483							113,483	
	OG	131,406	40,111						171,517	
	CP(DFT)IT	-	18,000						18,000	
<b>Sub Total</b>		<b>244,889</b>	<b>58,111</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>303,000</b>	
19 Permanent One-way System at Wickham Street	PARK	249,435	565						250,000	
	CorpRsv	20,000		28,000					48,000	
<b>Sub Total</b>		<b>269,435</b>	<b>565</b>	<b>28,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>298,000</b>	
20 Cycle Signs and Infrastructure	PARK	44,024	55,976						100,000	
	OC	3,500							3,500	
<b>Sub Total</b>		<b>47,524</b>	<b>55,976</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>103,500</b>	
21 Specific Planning Obligations	S106(NEW)	249,373	190,973	286,534	9,010				735,890	
22 Statutory Infrastructure Spend	CILNRsv	20,431							20,431	
	OC	17,827		1,742					19,569	
<b>Sub Total</b>		<b>38,258</b>	<b>-</b>	<b>1,742</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>40,000</b>	

**TRAFFIC AND TRANSPORTATION PORTFOLIO**

**CAPITAL PROGRAMME**

Item Description of Scheme No.	Identified Source of Finance	Exp. to 31 Mar 2020	Revised Estimate for					Estimate for 2025 / 26	Exp. in Subsequent Years	Final Cost
			2020 / 21	2021 / 22	2022 / 23	Estimate for 2023 / 24	Estimate for 2024 / 25			
23 Road Safety Scheme	OG(DFT)Sec31	7,422							7,422	
	PARK	-	14,500	34,000					48,500	
	OG	148,963	21,615						170,578	
<b>Sub Total</b>		<b>156,385</b>	<b>36,115</b>	<b>34,000</b>	-	-	-	-	<b>226,500</b>	
24 Cathodic Protection - Hard Interchange	CorpRsv	98,574	243,426	813,762					1,155,762	
	CROC	8,000							8,000	
<b>Sub Total</b>		<b>106,574</b>	<b>243,426</b>	<b>813,762</b>	-	-	-	-	<b>1,163,762</b>	
25 Central Corridor	CP(DFT)IT	250,000							250,000	
	PARK	95,459	541						96,000	
<b>Sub Total</b>		<b>345,459</b>	<b>541</b>	-	-	-	-	-	<b>346,000</b>	
26 Smart Cities - Intelligent Transport System - Phase 1	CorpRsv	45,057	454,943						500,000	
	CP(DFT)IT	21,555							21,555	
<b>Sub Total</b>		<b>66,612</b>	<b>454,943</b>	-	-	-	-	-	<b>521,555</b>	
27 Western Corridor - South	CP(DFT)IT	-		18,000					18,000	
28 Pedestrian Crossing - Henderson Rd	CP(DFT)IT	8,081	71,919						80,000	
29 On-Street Residential EV Chargepoint Scheme (ORCS)	PARK	84,751	15,249						100,000	
	OG	60,698							60,698	
<b>Sub Total</b>		<b>145,449</b>	<b>15,249</b>	-	-	-	-	-	<b>160,698</b>	

**TRAFFIC AND TRANSPORTATION PORTFOLIO**

**CAPITAL PROGRAMME**

Item Description of Scheme No.	Identified Source of	Exp. to	Revised					Exp. in Subsequent Years	Final Cost
			Estimate for	Estimate for	Estimate for	Estimate for	Estimate for		
	Finance	31 Mar 2020	2020 / 21	2021 / 22	2022 / 23	2023 / 24	2024 / 25	2025 / 26	
30 Air Quality Infrastructure Improvements	OG	262,505							262,505
	CP(DFT)IT	71,091		44,000					115,091
	CorpRsv	96,963	7,801	12,236					117,000
<b>Sub Total</b>		<b>430,559</b>	<b>7,801</b>	<b>56,236</b>	-	-	-	-	<b>494,596</b>
31 Transport Data Geographic Information System (GIS)	PARK	76,482	73,518						150,000
32 Air Quality - Bus Fleet Retrofitting	OG(DFT)Sec31	1,342,353	125,605	109,779					1,577,737
33 Extension to Park & Ride Multi Story Car Park - Design	CP(DFT)IT	319,387	30,613						350,000
34 Smart Cities: Intelligent Transport System Phase 2	CP(DFT)IT	-		178,445					178,445
35 The Hard Interchange Auxilary Works	CP(DFT)IT	-	150,000						150,000
36 New Car Park Facility - Southsea	UB	-		1,800,000					1,800,000
37 Transforming Cities Fund	OG(DFT)TCF	3,909,428	187,572						4,097,000
	CP(DFT)IT	80,000	150,000						230,000
	PARK	1,233,575	(105,693)						1,127,882
<b>Sub Total</b>		<b>5,223,003</b>	<b>231,879</b>	-	-	-	-	-	<b>5,454,882</b>
38 South East Hampshire Rapid Transit Programme - Tranche 2	OG(DFT)TCF	-	9,794,919	21,639,937	24,199,203				55,634,059
39 Safer Road Improvement A27	OG	6,501	54,499						61,000

**TRAFFIC AND TRANSPORTATION PORTFOLIO**

**CAPITAL PROGRAMME**

Item Description of Scheme No.	Identified Source of Finance	Exp. to 31 Mar 2020	Revised Estimate for					Exp. in Subsequent Years	Final Cost
			2020 / 21	2021 / 22	2022 / 23	2023 / 24	2024 / 25		
40 Air Quality Improvement	OG	-	252,999	3,987,387					4,240,386
	CP(DFT)IT	-	220,000						220,000
<b>Sub Total</b>		-	<b>472,999</b>	<b>3,987,387</b>	-	-	-	-	<b>4,460,386</b>
41 Cycle Parking Across the City	CP(DFT)IT	-		25,000					25,000
42 One-Way Streets and Low Traffic Neighbourhoods	CP(DFT)IT	-	120,000						120,000
43 Electric Vehicle Charging Infrastructure	CP(DFT)IT	-	76,620						76,620
	OC	-	229,860						229,860
<b>Sub Total</b>		-	<b>306,480</b>	-	-	-	-	-	<b>306,480</b>
44 Local Cycling & Walking Investment Plan	CP(DFT)IT	-	100,000						100,000
45 Full Business Case For Extension to Tipner Park & Ride Multi Story Car Park	CIL	-	150,000	350,000					500,000
46 Non PFI Asset Management Register / Plan	CP(DFT)IT	-	100,000						100,000
47 Operation Transmission	OG	878,423							878,423
	PARK		44,692						44,692
<b>Sub Total</b>		<b>878,423</b>	<b>44,692</b>	-	-	-	-	-	<b>923,115</b>
48 D-Day Car Park Wall	PARK	-	130,000						130,000
49 Non PFI asset Management	CP(DFT)IT	-	25,000						25,000
50 The Hard Structural Repairs	CP(DFT)IT	-	400,000						400,000

**APPENDIX E**

**TRAFFIC AND TRANSPORTATION PORTFOLIO**

**CAPITAL PROGRAMME**

Item Description of Scheme No.	Identified Source of	Exp. to	Revised							Exp. in Subsequent Years	Final Cost
			31 Mar 2020	Estimate for 2020 / 21	Estimate for 2021 / 22	Estimate for 2022 / 23	Estimate for 2023 / 24	Estimate for 2024 / 25	Estimate for 2025 / 26		
51 City Centre Road	CIL	-		3,762,600							3,762,600
	CorpRsv	-		2,157,400							2,157,400
	OC	-		1,000,000							1,000,000
<b>Sub Total</b>		-	-	<b>6,920,000</b>	-	-	-	-	-	-	<b>6,920,000</b>
<b>Grand Total</b>			<b>76,336,423</b>	<b>20,016,626</b>	<b>40,887,644</b>	<b>28,331,696</b>	<b>5,935,404</b>	<b>5,935,404</b>	<b>5,935,404</b>	<b>7,745,062</b>	<b>191,123,663</b>



## APPENDIX E

### HOUSING & PREVENTING HOMELESSNESS PORTFOLIO (GF)

### CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source	Exp.	Revised	Estimate for	Estimate for	Estimate for	Estimate for	Estimate for	Exp.	Final	
		of	to	Estimate	2021 / 22	2022 / 23	2023 / 24	2024 / 25	2024 / 25	in	Cost	
		Finance	31 Mar 2020	for						Subsequent		
				2020 / 21						Years		
1	Support For Vulnerable People	CorpRsv	2,347,912								2,347,912	
		CP(DCLG)DFG	1,124,300								1,124,300	
		CP(DCSF)BN	250,729								250,729	
		CP(DH)CG	762,300								762,300	
		GGR(DCLG)PSR	179,526								179,526	
		GGR(DCLG)DF	634,100								634,100	
		OC	2,040,340	255,308	200,000	200,000	200,000	200,000	200,000		3,295,648	
		LR(HIP)	2,135,364								2,135,364	
		BCF(DFG)DCLG	5,507,005								5,507,005	
		OC	264,973	837,994	1,446,000	1,610,000	1,610,000	1,610,000	1,610,000	1,725,600	9,104,567	
		OG	162,513								162,513	
		OG(DCLG)CD	1,318,131							1,318,131		
<b>Sub Total</b>			<b>16,727,193</b>	<b>1,093,302</b>	<b>1,646,000</b>	<b>1,810,000</b>	<b>1,810,000</b>	<b>1,810,000</b>	<b>1,810,000</b>	<b>1,925,600</b>	<b>-</b>	<b>26,822,095</b>
2	Removal of Hazards & Risks Within The Home	GGR(DCLG)PSR	372,963								372,963	
		LR(HIP)	1,822,739	93,473	282,200	512,500	512,500	512,500	512,500		4,248,412	
<b>Sub Total</b>			<b>2,195,702</b>	<b>93,473</b>	<b>282,200</b>	<b>512,500</b>	<b>512,500</b>	<b>512,500</b>	<b>512,500</b>	<b>-</b>	<b>4,621,375</b>	
3	Grants to Registered Social Landlords	S106(Hsg)	237,170								237,170	
		CorpRsv	1,994								1,994	
		NewS106(Hsg)	107,830	450,000	300,000						857,830	
<b>Sub Total</b>			<b>346,994</b>	<b>450,000</b>	<b>300,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,096,994</b>	
4	Homes For Homeless	CorpRsv	-	464,200							464,200	
		S106(Hsg)	-	35,800							35,800	
		UB	-	200,000	300,000						500,000	
<b>Sub Total</b>			<b>-</b>	<b>700,000</b>	<b>300,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,000,000</b>	

## APPENDIX E

### HOUSING & PREVENTING HOMELESSNESS PORTFOLIO (GF)

### CAPITAL PROGRAMME

Item Description of Scheme No.	Identified Source of Finance	Exp. to 31 Mar 2020	Revised Estimate		Estimate for 2022 / 23	Estimate for 2023 / 24	Estimate for 2024 / 25	Estimate for 2024 / 25	Exp. in Subsequent Years	Final Cost
			Estimate for 2020 / 21	Estimate for 2021 / 22						
5 Guildhall Capital Works	CorpRsv	1,102,670	395,012	393,700						1,891,382
	OG(DCLG)CD	894,858								894,858
	RCCO	-		393,700						393,700
<b>Sub Total</b>		<b>1,997,528</b>	<b>395,012</b>	<b>787,400</b>	-	-	-	-	-	<b>3,179,940</b>
6 Guildhall Internal Works	CorpRsv	-	30,000	50,000						80,000
7 Utilities and Energy Management	UB	1,033,657		1,077,443						2,111,100
	UBS	250,000								250,000
	CROC	437,017	223,426	322,557						983,000
	CMR	26,000								26,000
<b>Sub Total</b>		<b>1,746,674</b>	<b>223,426</b>	<b>1,400,000</b>	-	-	-	-	-	<b>3,370,100</b>
8 Investment in Solar Photovoltaic Cells	UB	3,651,782	798,218	1,800,000						6,250,000
9 Civic Offices Public Address System	CorpRsv	123,504	4,361							127,865
10 Utilities & Energy Mgmt 2019/20	MTRS	-		1,050,000						1,050,000
11 Landlord's Maintenance (across the whole PCC Estate)	CorpRsv	7,273,052	2,254,989	1,874,800						11,402,841
	CP(DCSF)CM	331,301								331,301
	CP(DFT)IT	175,115		722,200						897,315
	OG(DCLG)CD	1,859,528								1,859,528
	CMR	65,750								65,750
	CROC	291,792								291,792
<b>Sub Total</b>		<b>9,996,538</b>	<b>2,254,989</b>	<b>2,597,000</b>	-	-	-	-	-	<b>14,848,527</b>

## APPENDIX E

### HOUSING & PREVENTING HOMELESSNESS PORTFOLIO (GF)

### CAPITAL PROGRAMME

Item Description of Scheme No.	Identified Source of	Exp. to	Revised		Estimate for	Estimate for	Estimate for	Estimate for	Estimate for	Exp. in Subsequent Years	Final Cost
			31 Mar 2020	2020 / 21							
12 Landlord's Maintenance - Capital Contingency	CorpRsv	51,987	171,660								223,647
	CRGG	-	140,353								140,353
	CROC	-	47,000								47,000
<b>Sub Total</b>		<b>51,987</b>	<b>359,013</b>	-	-	-	-	-	-	-	<b>411,000</b>
13 Guildhall Investment (Match Funding)	CP(DCSF)CM	176,100	46,300	77,600							300,000
14 Transitional Accom for Homeless - Adaptationss to GF Properties	CorpRsv	4,325	75,675	620,000							700,000
15 Green Homes - Local Authority Delivery	OG	-	1,550,250	1,550,250							3,100,500
<b>Grand Total</b>		<b>37,018,327</b>	<b>8,074,019</b>	<b>12,460,450</b>	<b>2,322,500</b>	<b>2,322,500</b>	<b>2,322,500</b>	<b>2,438,100</b>	<b>0</b>	<b>0</b>	<b>66,958,396</b>

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## APPENDIX E

### HOUSING & PREVENTING HOMELESSNESS PORTFOLIO (HRA)

### CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source	Exp.	Revised					Exp.	Final Cost	
		of	to	Estimate	Estimate	Estimate	Estimate	Estimate	in		
		Finance	31 Mar 2020	for	for	for	for	for	Subsequent		
				2020 / 21	2021 / 22	2022 / 23	2023 / 24	2024 / 25	2024 / 25	Years	
1	HRA Assets (Non Dwelling)	B(HRA)	3,714,358								3,714,358
		CorpRsv	139,100								139,100
		RCCO(HRA)	11,304,709	500,769	360,000	360,000	360,000	360,000	360,000	360,000	13,965,478
		OC	88,918								88,918
		OCRec(HRA)	2,737								2,737
		UB(HRA)	246,614								246,614
		OG(DFT)LSTFSec31	30,000								30,000
<b>Sub Total</b>			<b>15,526,436</b>	<b>500,769</b>	<b>360,000</b>	<b>360,000</b>	<b>360,000</b>	<b>360,000</b>	<b>360,000</b>	<b>360,000</b>	<b>18,187,205</b>
2	Total Major Repairs Dwellings	B(HRA)	134,210								134,210
		OC	9,225,841	551,935	400,000	400,000	400,000	400,000	400,000	400,000	12,177,776
		RCCO(HRA)	147,612,247	13,594,906	30,700,000	31,500,000	30,650,000	28,200,000	30,350,000	32,150,000	344,757,153
		OG	1,054,584								1,054,584
		UB(HRA)	11,841,361								11,841,361
		CRec(HRA)	290,822								290,822
		CorpRsv	278,700								278,700
<b>Sub Total</b>			<b>170,437,765</b>	<b>14,146,841</b>	<b>31,100,000</b>	<b>31,900,000</b>	<b>31,050,000</b>	<b>28,600,000</b>	<b>30,750,000</b>	<b>32,550,000</b>	<b>370,534,606</b>
3	Southsea Community Centre	UB(HRA)	1,308,897	584,201	38,246						1,931,344
		CRec(HRA)	746,507	464,657	16,391						1,227,555
		RCCO(HRA)	641								641
		OCRec(HRA)	299,259	500,000							799,259
<b>Sub Total</b>			<b>2,355,304</b>	<b>1,548,858</b>	<b>54,637</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,958,799</b>
4	Arthur Pope House	UB(HRA)	5,058,159								5,058,159
		CRec(HRA)	2,683,738								2,683,738
		RCCO(HRA)	1,732								1,732
		OCRec(HRA)	1,491,790								1,491,790
<b>Sub Total</b>			<b>9,235,419</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,235,419</b>

## APPENDIX E

### HOUSING & PREVENTING HOMELESSNESS PORTFOLIO (HRA)

### CAPITAL PROGRAMME

Item Description of Scheme No.	Identified Source of Finance	Exp. to 31 Mar 2020	Revised Estimate for					Estimate for 2024 / 25	Estimate for 2024 / 25	Exp. in Subsequent Years	Final Cost
			2020 / 21	2021 / 22	2022 / 23	2023 / 24	2024 / 25				
5 Kingsclere Avenue	UB(HRA)	3,767,868								3,767,868	
	OCRec(HRA)	1,790,140	140,000							1,930,140	
	CRec(HRA)	2,404,219	60,000							2,464,219	
	OG	97,500								97,500	
<b>Sub Total</b>		<b>8,059,727</b>	<b>200,000</b>	-	-	-	-	-	-	<b>8,259,727</b>	
6 Blendworth Crescent	UB(HRA)	4,505,991								4,505,991	
	OCRec(HRA)	1,207,994	42,000							1,249,994	
	CRec(HRA)	2,370,584	18,000							2,388,584	
<b>Sub Total</b>		<b>8,084,569</b>	<b>60,000</b>	-	-	-	-	-	-	<b>8,144,569</b>	
5 Longdean	UB(HRA)	37,118		1,637,000	1,502,000	175,000				3,351,118	
	CRec(HRA)	87,706	60,000	873,000	858,000	75,000				1,953,706	
	OCRec(HRA)	204,647	140,000	400,000	500,000					1,244,647	
<b>Sub Total</b>		<b>329,471</b>	<b>200,000</b>	<b>2,910,000</b>	<b>2,860,000</b>	<b>250,000</b>	-	-	-	<b>6,549,471</b>	
8 Highgrove House	UB(HRA)	5,883		729,500	647,500					1,382,883	
	CRec(HRA)	1,920	18,000	505,500	277,500					802,920	
	OCRec(HRA)	4,480	42,000	450,000						496,480	
<b>Sub Total</b>		<b>12,283</b>	<b>60,000</b>	<b>1,685,000</b>	<b>925,000</b>	-	-	-	-	<b>2,682,283</b>	
9 Eastern Rd New Properties	S106(Hsg)	49,007								49,007	
	UB(HRA)	1,039,054								1,039,054	
	OG	292,499								292,499	
	OCRec(HRA)	557,896								557,896	
<b>Sub Total</b>		<b>1,938,456</b>	-	-	-	-	-	-	-	<b>1,938,456</b>	

## APPENDIX E

### HOUSING & PREVENTING HOMELESSNESS PORTFOLIO (HRA)

### CAPITAL PROGRAMME

Item Description of Scheme No.	Identified Source of Finance	Exp. to 31 Mar 2020	Revised Estimate for		Estimate for 2022 / 23	Estimate for 2023 / 24	Estimate for 2024 / 25	Estimate for 2024 / 25	Exp. in Subsequent Years	Final Cost
			2020 / 21	2021 / 22						
10 Doyle Avenue New Build Properties	ORec(HRA)	125,403	500,000	500,000						1,125,403
	UB(HRA)	88,059	395,278	1,249,306	41,047					1,773,690
	CRec(HRA)	80,597	383,690	749,702	17,592					1,231,581
<b>Sub Total</b>		<b>294,059</b>	<b>1,278,968</b>	<b>2,499,008</b>	<b>58,639</b>	-	-	-	-	<b>4,130,674</b>
11 Replacement Homes	CRec(HRA)	2,501,899	6,000,000	788,887	1,158,318	2,244,937	2,319,937			15,013,978
	ORec(HRA)	1,442,142			800,000	1,250,000	1,200,000			4,692,142
	UB(HRA)	4,135,819	14,000,000	19,211,113	18,041,682	16,505,063	16,480,063			88,373,740
	S106(Hsg)	259,800								259,800
<b>Sub Total</b>		<b>8,339,660</b>	<b>20,000,000</b>	<b>20,000,000</b>	<b>20,000,000</b>	<b>20,000,000</b>	<b>20,000,000</b>	-	-	<b>108,339,660</b>
12 Bredenbury Crescent	CRec(HRA)	120,865	8,400							129,265
	UB(HRA)	282,018								282,018
	ORec(HRA)	-	19,600							19,600
<b>Sub Total</b>		<b>402,883</b>	<b>28,000</b>	-	-	-	-	-	-	<b>430,883</b>
13 Huntsman Close	CRec(HRA)	-	279,986	279,986	8,528					568,500
	UB(HRA)	-	636,901	653,301	19,898					1,310,100
	ORec(HRA)	-	16,401							16,401
<b>Sub Total</b>		-	<b>933,288</b>	<b>933,287</b>	<b>28,426</b>	-	-	-	-	<b>1,895,001</b>
14 Horatia and Leamington Deconstruction	RCCO(HRA)	-	-	10,000,000						10,000,000
15 Transitional Accommodation for Homeless - Adaptations to HRA properties	UB		800,000							800,000
16 Acquisition of New Council Housing	UB		850,000	850,000						1,700,000

## APPENDIX E

### HOUSING & PREVENTING HOMELESSNESS PORTFOLIO (HRA)

### CAPITAL PROGRAMME

Item Description of Scheme No.	Identified Source of	Exp. to	Revised		Estimate for	Estimate for	Estimate for	Estimate for	Estimate for	Exp. in Subsequent Years	Final Cost
			31 Mar 2020	Estimate for							
17 Next Steps Accommodation Programme	OG	-	2,152,100								2,152,100
	UB(HRA)	-	7,025,700	285,500							7,311,200
<b>Sub Total</b>		-	<b>9,177,800</b>	<b>285,500</b>	-	-	-	-	-	-	<b>9,463,300</b>
<b>Grand Total</b>			<b>225,016,032</b>	<b>49,784,524</b>	<b>70,677,432</b>	<b>56,132,065</b>	<b>51,660,000</b>	<b>48,960,000</b>	<b>31,110,000</b>	<b>32,910,000</b>	<b>566,250,053</b>

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PRUDENTIAL INDICATORS

Details of the Capital Programme are contained in Appendix E

Ratio of Financing Costs to Net Revenue Stream							
	2019/20 Actual	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
Non - HRA	10.8%	12.2%	18.9%	17.5%	16.2%	15.9%	14.0%
HRA	6.8%	6.6%	7.0%	7.1%	7.4%	10.9%	10.9%

Capital Financing Requirement							
	2019/20 Actual £'000s	2020/21 Estimate £'000s	2021/22 Estimate £'000s	2022/23 Estimate £'000s	2023/24 Estimate £'000s	2024/25 Estimate £'000s	2025/26 Estimate £'000s
Non - HRA	621,036	645,232	720,426	738,872	737,842	739,761	731,832
HRA	177,644	200,286	224,090	244,342	261,022	274,548	271,594

Authorised Limit for External Debt							
	2019/20 Actual £'000s	2020/21 Estimate £'000s	2021/22 Estimate £'000s	2022/23 Estimate £'000s	2023/24 Estimate £'000s	2024/25 Estimate £'000s	2025/26 Estimate £'000s
Borrowing	744,623	806,363	911,531	955,905	975,468	995,422	999,539
Other Long Term Liabilities (ie Credit Arrangements)	62,377	57,151	51,340	46,032	42,494	38,366	34,639
<b>Total</b>	<b>807,000</b>	<b>863,514</b>	<b>962,872</b>	<b>1,001,937</b>	<b>1,017,962</b>	<b>1,033,788</b>	<b>1,034,178</b>

Operational Boundary for External Debt							
	2019/20 Actual £'000s	2020/21 Estimate £'000s	2021/22 Estimate £'000s	2022/23 Estimate £'000s	2023/24 Estimate £'000s	2024/25 Estimate £'000s	2025/26 Estimate £'000s
Borrowing	714,623	788,367	893,175	937,182	956,370	975,943	979,670
Other Long Term Liabilities (ie Credit Arrangements)	62,377	57,151	51,340	46,032	42,494	38,366	34,639
<b>Total</b>	<b>777,000</b>	<b>845,518</b>	<b>944,516</b>	<b>983,214</b>	<b>998,864</b>	<b>1,014,309</b>	<b>1,014,309</b>

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# Agenda Item 8



Portsmouth  
CITY COUNCIL

<b>Title of meeting:</b>	Cabinet
<b>Date of meeting:</b>	2 <sup>nd</sup> February 2021
<b>Subject:</b>	New Theatre Royal Portsmouth
<b>Report by:</b>	Director Culture, Leisure & Regulatory Services
<b>Wards affected:</b>	Charles Dickens
<b>Key decision:</b>	No
<b>Full Council decision:</b>	No

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## 1. Purpose of report

- 1.1 To update the Cabinet on the current position of the New Theatre Royal Portsmouth and to outline the case for purchase of the theatre in order to retain the building for public use.

## 2. Recommendations

- 2.1 **To authorise officers to complete the negotiations for the sale of the freehold of the New Theatre Royal to Portsmouth City Council in order to retain the building for public use.**

## 3. Background

- 3.1 The New Theatre Royal) opened in its current form in 1900. Designed by Charles Phipps and Frank Matcham, it is Grade II\* listed and, like the Kings Theatre, is one of the last Phipps/Matcham theatres in operation. Owned and managed by New Theatre Royal (Portsmouth) Limited, a registered charity, it has a capacity in its current format of just under 700 seats along with a studio theatre with the ability to be either a rehearsal space or small performance space.
- 3.2 The theatre has had an eventful history. After a fire in the 1960s, it was 20 years until the next performance occurred in 1987. For many years, it operated as a 400-seat venue without a full stage or backstage area. Since then the Theatre has been gradually redeveloped, finally reopening in in October 2015 after a significant £4.7m investment from Arts Council England, National Heritage Lottery Fund and Portsmouth City Council. This resulted in the 'back lot' being redeveloped to provide enhanced facilities along with a linked development by the University of Portsmouth on the adjacent land. In 2015 the theatre secured National Portfolio Organisation (NPO) funding from Arts Council England which was renewed for a further three years in 2018.



- 3.3 The New Theatre Royal Trust was however experiencing financial sustainability issues following the opening of the new spaces prior to the Covid-19 pandemic and is now in pressing need of a support. In essence they were struggling to meet the requirements of NPO funding while also generating sufficient levels of income primarily from ticket sales. The New Theatre Royal Trust now has serious financial challenges, with an accumulated debt of £1.13m and on-going cash flow problems. To compound this further it is facing repayment of advance ticket sales due to the ongoing cancellation of its programme under the pandemic restrictions.
- 3.4 Investment into this iconic cultural building has been significant both in terms of the £4.7m capital investment but also with the largest capital contributions being secured from the National Heritage Lottery Fund (NHLF) and Arts Council England (ACE). ACE remain The New Theatre Royal Trust's main funder as they are identified as a National Portfolio organisation and currently are scheduled to receive annual funding of £247,000 per annum and support from the Council through a revenue grant of £77,000. The ACE funding is potentially available under the current award until March 2022 having been extended for a further year by the Covid pandemic, however this is dependent on a viable financial model being proposed which both meets the needs of the NPO funding and addresses the current pandemic situation.
- 3.5 The New Theatre Royal Trust is required to provide a programme in accordance with its ACE funding requirements (not just 'popular entertainment') based on the work highlighted in their business plan which includes outreach and education work and supporting new creative work as well as performances within the venue. The Trust had met the NPO requirements up to the start of the pandemic however; they have struggled to do so while also generating sufficient levels of ticket sales and income.
- 3.6 The Council were aware of the challenges being faced by all performance venues but knew that those being faced by The New Theatre Royal Trust were particularly acute and that some of these pre-dated the pandemic. In the current pandemic circumstances we believe there is a very high risk of failure of this organisation, the direct consequences of which could be the loss of this space for public use.
- 3.7 Portsmouth City Council commissioned a review by Alun Bond in March 2020 to assess the position of The New Theatre Royal Trust and to outline its future options in the context of its challenging financial circumstances. This also included a requirement to explore if the venue had a viable future. The report was based on an examination of papers including financial projections, conversations with council officers and members, the chair of The New Theatre Royal Trust and staff, Arts Council England and the University of Portsmouth.
- 3.8 The landscape for The New Theatre Royal Trust has been complex. Theatre programming is always a difficult challenge and a matter of balance. Selling tickets requires a sophisticated and consistent marketing operation and the Trust has had a series of extreme marketing challenges from the venue reopening without a proper re-launch plan in 2015 to the most recent challenge which has been no

Marketing Manager between June and September 2019, the crucial period for selling the autumn season. It is clear with hindsight that the balance was not right in terms of commercial programme strands needing to be more effective in generating additional income to support the more challenging work effectively.

- 3.9 It is also clear from Alun Bond's work that the evidence of a detailed analysis of ticket sales demonstrates that audiences will visit the venue when the product is right and the marketing is effective. Alun Bond concludes that it is not a 'lost cause' and that with some re-balancing of its programme and an effective marketing operation it could present a live professional programme, including an annual pantomime that was financially viable.
- 3.10 It is also clear that the capital investment into the theatre has greatly improved their stage facilities and it is now equipped to operate as a middle-scale presenting venue and home for amateur and community live arts. As a Grade 2\* building the theatre is also a major heritage asset in the city centre.
- 3.11 The New Theatre Royal Trust's audience development plans were also reviewed by Artservice in July 2019 and a further health check was commissioned by Arts Council England from Alchemy in March 2020.
- 3.12 These combined reviews confirmed the position that the theatre, with a different programme model and non-pandemic circumstances should be able to sustain and deliver a viable community focused programme, which centres on both the immediate local population as well as providing meaningful engagement in live culture for a wider geographical area. The Theatre previously held a key position as a regional venue for middle scale touring, which in turn attracted in a wider geographical audience and we believe it has potential to do so again in the future.
- 3.13 Historically the Council has supported a 3 venue policy with conversations initiated shortly after the transfer to a Unitary authority at which point the Kings Theatre was transferred from Hampshire County Council to Portsmouth City Council and then subsequently leased to an operating company. The other principal venue we have always directly owned is Portsmouth Guildhall with its 2000+ seater auditorium, which again has been leased to an operating company.
- 3.14 The realisation of the long held desire for a new build on the 'back lot' was achieved through partnership with the University of Portsmouth. It should be noted that unlike other performance venues the New Theatre Royal building does have a co-sharing arrangement with the University of Portsmouth with physical links between the organisations in the newly built part of the site. This also results in some 'common areas' requiring an agreed understanding on how these are used to support both parties' activities. As it stands this agreement remains unresolved to the satisfaction of both parties.

#### **4. Valuation & Condition Survey**

- 4.1 A valuation of the theatre has been mutually agreed with the New Theatre Royal Trust, based on an independent valuation.
- 4.2 A Building condition survey was carried out by Portsmouth City Council to assess the general condition and identify any significant defects or property related issues. The building was considered to be in a fair condition, best considered in two parts, where by the older Grade 2\* listed part has a number of maintenance backlog issues and defects. These will require investment in the short term to address fire safety regulations, and other areas identified for repair within the next ten years over and above the usual repair & maintenance required for a building of this nature.

During the survey, nothing was identified as a structural defect or inadequacy that would give rise for concern.

A budget summary for the works identified proposes:

- Year 1 £142,500
- Year 5 £253,500
- Year 10 £ 38,000

#### **5. Reasons for recommendations**

- 5.1 Following an extensive process the Council adopted a formal Theatre Strategy in March 2010. The aim was to formalise the relationships with the two primary theatres in the city, the New Theatre Royal and the Kings whilst acknowledging the role that organisations such as Groundlings and the large amateur sector played in this important cultural field. The strategy recognised the major contribution the cultural sector played in the quality of life of the city through elements such as the economy, learning and community engagement.
- 5.2 As a direct result of the adoption of the Theatre Strategy, new Service Level Agreements were put in place with both venues to support and provide a detailed contract of delivery between the revenue funding provided by the Council and the individual venue's outputs. It should also be noted that the Council already owns both the Guildhall and the King's Theatre and the ownership allows us to strategically protect the buildings as both performance venues and the heritage vale they bring to the city.
- 5.3 As stated earlier in this report Alun Bond's independent report of March 2020 concludes that the New Theatre Royal as a physical venue does have potential and that people will visit the theatre when the programming is right and the marketing is effective. It does however need to rebalance its programming and improve the effectiveness of its marketing.
- 5.4 Alun Bond's report, which has been shared with the Trustee board of the New Theatre Royal, suggests four strategic priorities -



- the need to maintain credibility with Arts Council England and retain NPO funding beyond 2022,
- the need to preserve the theatre as a venue capable of hosting high quality visiting productions,
- the need to develop the Theatre's role in the community
- the need to explore means of increasing the Theatre's income

5.5 The strategic objectives in supporting the case of the acquisition of the theatre by the Council are:

- To maintain a medium scale, high quality performance space in the heart of the most deprived ward of the City
- To continue to secure on-going external funding from ACE into Portsmouth to the value of at least £250,000
- To continue to support a 3 venues policy and to encourage greater partnership working between the organisations

5.6 We see the New Theatre Royal's biggest potential growth area as refocussed into a collaborative cultural hub, delivering for community audiences. The large number of people on the Theatre's doorstep are both its biggest latent audience, and also the people for whom cultural engagement can make the most difference. The same issues that present the New Theatre Royal with challenges from a commercial point of view, offer its biggest opportunities. A venue that can offer cultural access to the deprived and challenged communities on its doorstep is, we believe, a compelling case.

5.7 The strategic position of the New Theatre Royal in Charles Dickens ward means that it is ideally located to engage with the more challenged communities whilst the location in the city centre and adjacent to Portsmouth & Southsea station allows it to develop audiences in a strategic and meaningful way.

5.8 Were the theatre not to continue it would mark the loss of the significant city centre based cultural asset into which there has been a large capital investment by key national stakeholders, including the Council over the last six years. The current status of being one of only two Arts Council England NPO funded organisations based in the city would also be at risk of being lost along with the £247,000 funding it attracts into Portsmouth.

5.9 There are clearly challenges with a local audience with limited means, particularly if viewed in terms of a traditional income generation audience model. However, these same challenges also present an opportunity for a renewed new focus and sense of purpose, and a chance to be at the heart of delivering positive social outcomes. Covid-19 has brought sharpened focus on the importance of delivering positive outcomes for health and wellbeing, particularly addressing broader inequalities in society that are linked to underlying conditions that place strain on the NHS and the nature and type of cultural engagement which the theatre can offer could mark significant steps to better attainment and increased aspiration.

- 5.10 Separation should also be considered between the existing operational Trust and the physical theatre. Should the existing Trust no longer wish to continue to operate then, as with the other performance venues, another operating company could be sought to deliver activity in both the spaces and through the necessary outreach programme. The Council would not directly operate the venue but would seek an operator to work in partnership to secure ongoing funds and achieve joint objects related to such areas as social and economic impact.
- 5.11 The site development over the last five years has ensured an on-going relationship with the shared building with the University of Portsmouth. Whilst the co-sharing arrangements already in place potentially support greater sharing and development of audiences it is important to note that were another organisation to buy the freehold then we anticipate the shared working arrangements would change and the public access to the building be potentially lost.

## **6. Integrated impact assessment**

- 6.1 An Integrated impact assessment is attached.

## **7. Legal implications**

- 7.1 Assuming that there is no functional challenge to the current iteration of the NTR in the sense of any insolvency proceedings being put to the court and that there is an agreed stance from the current cohort of creditors (to avoid a challenge post sale as to the basis of the sale being at an undervalue or as a preference) a sale by private treaty can occur.
- 7.2 PCC can purchase the freehold and will become the owner of the entire site and the landlord to the University of Portsmouth. Whilst there are issues about usage of the common parts the current lease will not be varied to the extent of affecting the value or usage of the freehold site by the Council as the purchaser. This said it is envisaged that the University of Portsmouth will want to agree something with the Council about usage of the common parts post completion.
- 7.3 It must be noted that in terms of Arts Council England (ACE) it is envisaged that the current funding agreement will in effect novate to the Council who will be subject to the current range of conditions that predicated the original ACE capital grant and determine ongoing entitlement to seek further ACE funding- this is not controversial.
- 7.4 It is clear that the basis of purchase does have a community/social value within a unique part of Portsmouth and that whilst the building is listed there is a basis for maintaining within public ownership and control even with the potentiality of sizable ongoing maintenance cost and an as yet unclear future business model for continuing use by a new iteration of the current NTR.



**8. Director of Finance's comments**

- 8.1 The cost of the purchase of the freehold referred to in the recommendation will be met from corporate contingency.
- 8.2 The ongoing maintenance liabilities will fall across both the Council and the Trust via a full repairing and insuring lease. It is anticipated that in the early years of the lease arrangement funding for the maintenance liabilities is likely to be required of the Council whilst the Theatre seeks to recover from the Covid 19 pandemic and implements its new business plan.

.....  
Signed by:  
**Stephen Baily**  
**Director of Culture, Leisure and Regulatory Services**

**Appendices:** Appendix 1 - Integrated Income Assessment

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

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

<b>Title of document</b>	<b>Location</b>
Theatre Strategy Report	<a href="#">Report Link</a>

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

.....  
Signed by:  
**Cabinet Member for Culture, Leisure and Economic Development**

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# Integrated Impact Assessment (IIA)

Integrated impact assessment (IIA) form December 2019

[www.portsmouth.gov.uk](http://www.portsmouth.gov.uk)

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

- identify those policies, projects, services, functions or strategies that could impact positively or negatively on the following areas:
  - Communities and safety
  - Regeneration and culture
  - Environment and public space
  - Equality & - Diversity This can be found in Section A5

**Directorate:**

Culture, Leisure and Regulatory Services

**Service, function:**

Partnership & Commissioning

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

New Theatre Royal

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

- Existing
- New / proposed
- Changed

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

The purpose of this report is authorise officers to negotiate on the proposed purchase of the freehold of the New Theatre Royal in order to retain the asset for cultural and community activity.

Has any consultation been undertaken for this proposal? What were the outcomes of the consultations? Has anything changed because of the consultation? Did this inform your proposal?

No

**A - Communities and safety**

**Yes**

**No**

Is your policy/proposal relevant to the following questions?

**A1-Crime** - Will it make our city safer?



In thinking about this question:

- How will it reduce crime, disorder, ASB and the fear of crime?
- How will it prevent the misuse of drugs, alcohol and other substances?
- How will it protect and support young people at risk of harm?
- How will it discourage re-offending?

If you want more information contact [Lisa.Wills@portsmouthcc.gov.uk](mailto:Lisa.Wills@portsmouthcc.gov.uk) or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/cou-spp-plan-2018-20.pdf>

Please expand on the impact your policy/proposal will have, and how you propose to mitigate any negative impacts?

Based in the heart of the city the theatre will have the capacity to work with partner organisations to explore the provision of activities for targeted groups of young people which could potentially include young people at risk of harm.

How will you measure/check the impact of your proposal?

Any targeted initiatives would be outlined within a detailed SLA agreement to support the working of the Theatre

**A - Communities and safety**

**Yes**

**No**

Is your policy/proposal relevant to the following questions?

**A2-Housing** - Will it provide good quality homes?



In thinking about this question:

- How will it increase good quality affordable housing, including social housing?
- How will it reduce the number of poor quality homes and accommodation?
- How will it produce well-insulated and sustainable buildings?
- How will it provide a mix of housing for different groups and needs?

If you want more information contact [Daniel.Young@portsmouthcc.gov.uk](mailto:Daniel.Young@portsmouthcc.gov.uk) or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/psh-providing-affordable-housing-in-portsmouth-april-19.pdf>

Please expand on the impact your policy/proposal will have, and how you propose to mitigate any negative impacts?

How are you going to measure/check the impact of your proposal?

**A - Communities and safety**

**Yes**

**No**

Is your policy/proposal relevant to the following questions?

**A3-Health** - Will this help promote healthy, safe and independent living?



In thinking about this question:

- How will it improve physical and mental health?
- How will it improve quality of life?
- How will it encourage healthy lifestyle choices?
- How will it create healthy places? (Including workplaces)

If you want more information contact [Dominique.Letouze@portsmouthcc.gov.uk](mailto:Dominique.Letouze@portsmouthcc.gov.uk) or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/cons-114.86-health-and-wellbeing-strategy-proof-2.pdf>

Please expand on the impact your policy/proposal will have, and how you propose to mitigate any negative impacts?

Participation in culture delivers savings to the authority in terms of health and wellbeing and increased life opportunities for some of our most vulnerable communities, improving socio-economic outcomes for the city. It addresses the causes of social and economic challenges in society.

How are you going to measure/check the impact of your proposal?

Measure as part of annual updates from the theatre

**A - Communities and safety**

**Yes**

**No**

Is your policy/proposal relevant to the following questions?

**A4-Income deprivation and poverty**-Will it consider income deprivation and reduce poverty?



In thinking about this question:

- How will it support those vulnerable to falling into poverty; e.g., single working age adults and lone parent households?
- How will it consider low-income communities, households and individuals?
- How will it support those unable to work?
- How will it support those with no educational qualifications?

If you want more information contact [Mark.Sage@portsmouthcc.gov.uk](mailto:Mark.Sage@portsmouthcc.gov.uk) or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/cou-homelessness-strategy-2018-to-2023.pdf>

<https://www.portsmouth.gov.uk/ext/health-and-care/health/joint-strategic-needs-assessment>

Please expand on the impact your policy/proposal will have, and how you propose to mitigate any negative impacts?

Research and policy from sector bodies suggests that engagement with culture and leisure has significant health and socio-economic benefits for residents, in particular among our most vulnerable communities. It is anticipated that the theatre will provide activities into it's closest communities both directly and in partnership with other organisations.

How are you going to measure/check the impact of your proposal?

Measure as part of annual updates from the theatre

**A - Communities and safety**

**Yes**

**No**

Is your policy/proposal relevant to the following questions?

**A5-Equality & diversity** - Will it have any positive/negative impacts on the protected characteristics?



In thinking about this question:

- How will it impact on the protected characteristics-Positive or negative impact (Protected characteristics under the Equality Act 2010, Age, disability, race/ethnicity, Sexual orientation, gender reassignment, sex, religion or belief, pregnancy and maternity, marriage and civil partnership,socio-economic)
- What mitigation has been put in place to lessen any impacts or barriers removed?
- How will it help promote equality for a specific protected characteristic?

If you want more information contact [gina.perryman@portsmouthcc.gov.uk](mailto:gina.perryman@portsmouthcc.gov.uk) or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/cmu-equality-strategy-2019-22-final.pdf>

Please expand on the impact your policy/proposal will have, and how you propose to mitigate any negative impacts?

Research and sector guidance suggests that rates of engagement are affected by specific barriers. Many of these are either social or economic and include cost, time, Geography, Transport, sense of ownership, physical appearance of facilities, quality of the offer, familiarity, competition and user-friendliness.

How are you going to measure/check the impact of your proposal?

Measure as part of annual updates from the theatre

**B - Environment and climate change**

**Yes**

**No**

Is your policy/proposal relevant to the following questions?

**B1-Carbon emissions** - Will it reduce carbon emissions?

In thinking about this question:

- How will it reduce greenhouse gas emissions?
- How will it provide renewable sources of energy?
- How will it reduce the need for motorised vehicle travel?
- How will it encourage and support residents to reduce carbon emissions?

If you want more information contact [Tristan.thorn@portsmouthcc.gov.uk](mailto:Tristan.thorn@portsmouthcc.gov.uk) or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/cmu-sustainability-strategy.pdf>

Please expand on the impact your policy/proposal will have, and how you propose to mitigate any negative impacts?

How are you going to measure/check the impact of your proposal?

**B - Environment and climate change**

**Yes**

**No**

Is your policy/proposal relevant to the following questions?

**B2-Energy use** - Will it reduce energy use?

In thinking about this question:

- How will it reduce water consumption?
- How will it reduce electricity consumption?
- How will it reduce gas consumption?
- How will it reduce the production of waste?

If you want more information contact [Triston.thorn@portsmouthcc.gov.uk](mailto:Triston.thorn@portsmouthcc.gov.uk) or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/pln-portsmouth-plan-post-adoption.pdf>  
<https://democracy.portsmouth.gov.uk/documents/s24685/Home%20Energy%20Appendix%201%20-%20Energy%20and%20water%20at%20home%20-%20Strategy%202019-25.pdf>

Please expand on the impact your policy/proposal will have, and how you propose to mitigate any negative impacts?

How are you going to measure/check the impact of your proposal?

**B - Environment and climate change**

Yes

No

Is your policy/proposal relevant to the following questions?

**B3 - Climate change mitigation and flooding**-Will it proactively mitigate against a changing climate and flooding?

In thinking about this question:

- How will it minimise flood risk from both coastal and surface flooding in the future?
- How will it protect properties and buildings from flooding?
- How will it make local people aware of the risk from flooding?
- How will it mitigate for future changes in temperature and extreme weather events?

If you want more information contact [Tristan.thorn@portsmouthcc.gov.uk](mailto:Tristan.thorn@portsmouthcc.gov.uk) or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/env-surface-water-management-plan-2019.pdf>

<https://www.portsmouth.gov.uk/ext/documents-external/cou-flood-risk-management-plan.pdf>

Please expand on the impact your policy/proposal will have, and how you propose to mitigate any negative impacts?

How are you going to measure/check the impact of your proposal?

**B - Environment and climate change**

Yes

No

Is your policy/proposal relevant to the following questions?

**B4-Natural environment**-Will it ensure public spaces are greener, more sustainable and well-maintained?

In thinking about this question:

- How will it encourage biodiversity and protect habitats?
- How will it preserve natural sites?
- How will it conserve and enhance natural species?

If you want more information contact [Daniel.Young@portsmouthcc.gov.uk](mailto:Daniel.Young@portsmouthcc.gov.uk) or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/pln-solent-recreation-mitigation-strategy-dec-17.pdf>

<https://www.portsmouth.gov.uk/ext/documents-external/pln-portsmouth-plan-post-adoption.pdf>

Please expand on the impact your policy/proposal will have, and how you propose to mitigate any negative impacts?

How are you going to measure/check the impact of your proposal?



**B - Environment and climate change**

Yes

No

Is your policy/proposal relevant to the following questions?

**B5-Air quality** - Will it improve air quality?

In thinking about this question:

- How will it reduce motor vehicle traffic congestion?
- How will it reduce emissions of key pollutants?
- How will it discourage the idling of motor vehicles?
- How will it reduce reliance on private car use?

If you want more information contact [Hayley.Trower@portsmouthcc.gov.uk](mailto:Hayley.Trower@portsmouthcc.gov.uk) or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/env-aq-air-quality-plan-outline-business-case.pdf>

Please expand on the impact your policy/proposal will have, and how you propose to mitigate any negative impacts?

How are you going to measure/check the impact of your proposal?

**B - Environment and climate change**

Yes

No

Is your policy/proposal relevant to the following questions?

**B6-Transport** - Will it improve road safety and transport for the whole community?

In thinking about this question:

- How will it prioritise pedestrians, cyclists and public transport users over users of private vehicles?
- How will it allocate street space to ensure children and older people can walk and cycle safely in the area?
- How will it increase the proportion of journeys made using sustainable and active transport?
- How will it reduce the risk of traffic collisions, and near misses, with pedestrians and cyclists?

If you want more information contact [Pam.Turton@portsmouthcc.gov.uk](mailto:Pam.Turton@portsmouthcc.gov.uk) or go to:

<https://www.portsmouth.gov.uk/ext/travel/local-transport-plan-3>

Please expand on the impact your policy/proposal will have, and how you propose to mitigate any negative impacts?

How are you going to measure/check the impact of your proposal?

Is your policy/proposal relevant to the following questions?

**B7-Waste management** - Will it increase recycling and reduce the production of waste?



In thinking about this question:

- How will it reduce household waste and consumption?
- How will it increase recycling?
- How will it reduce industrial and construction waste?

If you want more information contact [Steven.Russell@portsmouthcc.gov.uk](mailto:Steven.Russell@portsmouthcc.gov.uk) or go to:

<https://documents.hants.gov.uk/mineralsandwaste/HampshireMineralsWastePlanADOPTED.pdf>

Please expand on the impact your policy/proposal will have, and how you propose to mitigate any negative impacts?

How are you going to measure/check the impact of your proposal?

C - Regeneration of our city

Yes

No

Is your policy/proposal relevant to the following questions?

**C1-Culture and heritage** - Will it promote, protect and enhance our culture and heritage?



In thinking about this question:

- How will it protect areas of cultural value?
- How will it protect listed buildings?
- How will it encourage events and attractions?
- How will it make Portsmouth a city people want to live in?

If you want more information contact [Claire.Looney@portsmouthcc.gov.uk](mailto:Claire.Looney@portsmouthcc.gov.uk) or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/pln-portsmouth-plan-post-adoption.pdf>

Please expand on the impact your policy/proposal will have, and how you propose to mitigate any negative impacts?

Broadening participation with culture benefits the city in terms of increasing visitor numbers and helping us to make a more compelling case to funders. It also helps to evolve perceptions of culture and leisure services by demonstrating the core benefits that they bring to the city. The purchase of the freehold of the theatre will enable a Grade II\* heritage building to remain in active use for the benefit of the wider public - both residents and visitors.

How are you going to measure/check the impact of your proposal?  
Measures will be in place in regards to the activity provision by the theatre and the building asset will remain open to the public.

C - Regeneration of our city

Yes

No

Is your policy/proposal relevant to the following questions?

**C2-Employment and opportunities** - Will it promote the development of a skilled workforce?



In thinking about this question:

- How will it improve qualifications and skills for local people?
- How will it reduce unemployment?
- How will it create high quality jobs?
- How will it improve earnings?

If you want more information contact [Mark.Pembleton@portsmouthcc.gov.uk](mailto:Mark.Pembleton@portsmouthcc.gov.uk) or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/cou-regeneration-strategy.pdf>

Please expand on the impact your policy/proposal will have, and how you propose to mitigate any negative impacts?

There are significant social and economic benefits of engaging with culture. They increase aspirations and confidence, as well as offering more life opportunities to more people. Targeted work into the local community could also ensure more opportunities and increased skills - including more soft skills.

How are you going to measure/check the impact of your proposal?

Measure as part of annual updates from the theatre.

## C - Regeneration of our city

Yes

No

Is your policy/proposal relevant to the following questions?

**C3 - Economy** - Will it encourage businesses to invest in the city, support sustainable growth and regeneration?



In thinking about this question:

- How will it encourage the development of key industries?
- How will it improve the local economy?
- How will it create valuable employment opportunities for local people?
- How will it promote employment and growth in the city?

If you want more information contact [Mark.Pembleton@portsmouthcc.gov.uk](mailto:Mark.Pembleton@portsmouthcc.gov.uk) or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/cou-regeneration-strategy.pdf>

Please expand on the impact your policy/proposal will have, and how you propose to mitigate any negative impacts?

The value of the creative industries to the city is considerable and, before the pandemic, it was nationally one of the fastest growth areas. The industry has been severely limited by the pandemic however retaining creative industries jobs - and in particular theatre skill jobs - is important to both the city and the region.

How are you going to measure/check the impact of your proposal?

Measure as part of the annual reporting.

### Q8 - Who was involved in the Integrated impact assessment?

Claire Looney, Partnership & Commissioning Manager

This IIA has been approved by: Stephen Baily; Director Culture, Leisure & Regulatory Services

Contact number: 023 9282 8112

Date: 21 January 2021

# Agenda Item 9



## **THIS ITEM IS FOR INFORMATION ONLY**

**(Please note that "Information Only" reports do not require Integrated Impact Assessments, Legal or Finance Comments as no decision is being taken)**

<b>Title of meeting:</b>	Cabinet
<b>Subject:</b>	European Union Exit – Provision of Border Control Points at Portsmouth International Port
<b>Date of meeting:</b>	02 February 2021
<b>Report by:</b>	David Williams, Chief Executive, Chris Ward, Finance and Resources Director, Mike Sellers, Port Director
<b>Wards affected:</b>	All

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### **1. Requested by**

The Leader of the Council, Councillor Gerald Vernon-Jackson.

### **2. Purpose**

To update the Cabinet on Portsmouth International Port's infrastructure challenges and funding shortfall for handling European Union trade.

### **3. Information Requested**

From 1<sup>st</sup> January 2021, the UK became a 3rd party country for trading with the European Union and will be subject to new regulations when exporting and importing live animals and products of plant or animal origin (Products of Animal Origin). Ports must have new infrastructure in place by July 2021 to meet the government's Border Operating Model.

This requires a Border Control Post to carry out government prescribed checks on specific imports and exports. This is a government inspection facility designated and approved for carrying out statutory checks on plants and plant products, products of animal origin, food not of an animal origin and live animals. The checks need to be at the gateway for the entrance of goods into a trade area and are to protect animal welfare, public health and environmental health.

## **THIS ITEM IS FOR INFORMATION ONLY**

**(Please note that "Information Only" reports do not require Integrated Impact Assessments, Legal or Finance Comments as no decision is being taken)**

Through the Border Control Post, Portsmouth's Port Health Authority, part of Portsmouth City Council's regulatory services function, have a statutory requirement to enforce United Kingdom food laws at the border by carrying out checks on imported food and animal feed consignments in order to:

- ensure that only products that are safe to eat enter the food chain
- safeguard animal and public health
- check compliance with UK laws and international trading standards

In order to ensure the country was prepared for its Border Operating Model, the government created a Port Infrastructure Fund totalling £200m and invited Ports to bid to it by 30<sup>th</sup> October 2020. As a major United Kingdom port handling European Union trade with 'critical freight routes' and following discussions with Defra, Portsmouth International Port applied to the Port Infrastructure Fund for £32m to build two Border Control Posts - one for live animals and one for Products of Animal Origin as well as sub-projects to streamline the arrival of freight including the extension of the freight gates and integration of Port Information Technology to new HMRC systems for documentation checks. The Port's bid included a contingency (that follows the government's 'green book' guidance) as the 1st July 2021 timeframe for completion, testing and operation of these facilities was extremely tight. Civil engineering projects of this scale normally need a minimum of 18 months to complete, therefore the Port anticipated the need to scale up and accelerate the construction works to meet the deadline imposed by government.

The 'live animal' Border Control Post at Portsmouth International Port is the only planned facility in the United Kingdom for veterinarians to approve the import of live animals into the United Kingdom that are to be used for breeding (not for slaughter).

The Port Infrastructure Fund was substantially oversubscribed, therefore the port was one of a number of ports invited to a 'deep dive' meeting with consultants and Cabinet Office officials. Subsequently all bids were cut, contingencies reduced to just 10% (contrary to green book principles) and then allocated 66% of the reduced amount to each qualifying port to align to the nominal £200m fund.

Despite being informed that all of the projects within the port's bid were compliant and therefore necessary for the trade changes with the European Union, Portsmouth International Port have been allocated £17.1m which has left the port with a significant shortfall to implement the most critical changes as well as omitting significant parts of our proposals.

### **Resilience and National Importance**

Portsmouth International Port has the capacity to provide United Kingdom with resilience against the pressures of physical checks, once they come into force later this year.

## **THIS ITEM IS FOR INFORMATION ONLY**

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It is considered the United Kingdom's best-connected port, uniquely positioned with direct motorway access so goods can flow easily to their destination. Coupled with its proximity to main shipping routes, it is also one of the most suitably placed ports to support efficient trade for British farming, food and medical imports. It is the second largest cross channel port with more destinations to Europe, via the Western Channel, than any other UK port.

The National Farmers' Union have been in contact with the port as they are concerned that necessary infrastructure will not go ahead at Portsmouth International Port due to the funding shortfall. They have advised the following economic value of their live animal breeding trade as (figures are approximate):

*"Value of exports just under £1M • value of imports easily in excess of £10M. There are currently around 30,000 breeding animals (pigs, sheep and cattle) exported to mainland Europe each year from the UK, and similar numbers arriving. • The trade is important as it contributes to a high genetic pool in the UK and Europe, as well as yielding value to UK farmers. • The absence of BCP facilities in the EU channel facing port will mean that UK farmers are unable to export high value breeding material to the EU" (Olivia Seccombe, External Affairs, NFU).*

Throughout the trade negotiations and the pandemic, specific ferry routes between Spain / Portsmouth and France / Portsmouth have been recognised as 'critical freight routes' and financially supported by the Department of Transport to ensure the resilience of priority imports such as food products and medical supplies due to concerns over the resilience of the short crossings to Kent. Department of Transport funded Portsmouth / Le Harve crossings which re-commenced on the 31<sup>st</sup> December to support this but without adequate funding for the necessary Border Control Posts, a large percentage of these imports will be unable to pass through Portsmouth, thereby impacting UK resilience.

During his visit to Portsmouth, the Transport Secretary, Rt Hon Grant Shapps, expressed the importance of Portsmouth International Port for providing an outlet to United Kingdom trade and resilience against the short crossings in Kent.

Inland facilities to support Dover, Channel Tunnel and Holyhead are being built and fully funded by government. Initial plans with the Cabinet Office infrastructure representatives, the Border Protocol Delivery Group, were for an inland facility at Portsmouth however the Border Protocol Delivery Group could only find one suitable location at Southampton port which was a significant deviation for freight. Discussions with the Border Protocol Delivery Group led to a Portsmouth port based alternative following site inspection by the Defra team, and it was this that the Portsmouth International Port team bid for.

The national importance of Portsmouth has been recognised within Defra and by the Department of Transport and we have been advised that a paper has been submitted to the Chancellor of the Duchy of Lancaster and the Secretary of State for Environment, Food and Rural Affairs for the additional funding support needed.

## **THIS ITEM IS FOR INFORMATION ONLY**

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The Member of Parliament for Portsmouth North and South have been lobbying in support of the funding bid and the need for the shortfall to be made good by government. The Leader of the Council has written to the Chancellor of the Duchy of Lancaster, the Secretary of State for Environment and Rural Affairs and the Transport Secretary to highlight the council's concerns expressing the disjointed approach within the government departments particularly towards the Port's resilience and critical freight routes and therefore seeking funding support. Whilst there has been 'sympathy and understanding' expressed by both of these departments, and a recognition of Portsmouth's special circumstances, unfortunately, at time of writing, no commitment to further funding support has been confirmed.

### **Port Industry challenges, delays and risk to supply of essential goods.**

The projects are now well behind schedule due to delays from Cabinet Office on the funding decision and delayed sign-off from Defra on the detailed design of the buildings (formally approved in writing on the 15<sup>th</sup> January 2021). Additionally works cannot commence without additional capital funding. Contractors are now indicating completion by September 2021 and without confirmation of funding sufficient for the most critical changes required including contingency funding, the port is unable to accelerate the projects.

These challenges are being felt at most ports that trade with the European Union, which has resulted in the industry bodies that represent ports - UK Major Ports Group and the British Ports Association - to write to the Cabinet Office Minister, Julia Lopez highlighting the industries concerns and the need to delay the deadline of the 1<sup>st</sup> July 2021 for completion of the infrastructure. However, the circumstances in Portsmouth are more acute given that on the one hand Department of Transport are increasing flow whilst on the other government is not providing for this flow to be accommodated through Border Control Posts. Also, as the only municipally owned port, the circumstances at Portsmouth International Port are different to the other ports bidding to the fund - see section 6 below.

To facilitate the efficient organisation and performance of official controls and other official activities, the design of the Border Control Post has been split into different inspection centres, where the categories of animals and plants are to be controlled.

On the port health side to ensure food safety regulations are delivered, Portsmouth Port Health Authority has only received short term (3 month) government funding to support the establishment of the additional staff and systems necessary to operate the proposed facilities. This is a major undertaking, stepping up staffing from 2.2 Full Time Equivalent resource to 36 Full Time Equivalent staff required to ensure the Portsmouth Port Health Authority will operate effectively within the Border Control Post once constructed.



## **THIS ITEM IS FOR INFORMATION ONLY**

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The process of recruiting and training staff is underway for the full operation of the Border Control Post from 1<sup>st</sup> July 2021, however Members should be aware that there is a recognised national shortage of staff with the requisite skills as this function has not been required in volume for decades. Currently the service is supplying limited essential services from its existing establishment but this is clearly unsustainable.

DEFRA have confirmed that if the required Border Control Post criteria and infrastructure are not in place by 1<sup>st</sup> July 2021, imported products of animal origin from the European Union will not be allowed entry into the United Kingdom through the Portsmouth International Port. Should this occur there is likely to be significant detrimental consequences to the wider economy and to Portsmouth International Port.

Approximately two thirds of the Border Control Post facility is designed to deal with the governments Border Operating Model and its guidance for trade in plants and plant products delivered by Animal and Plant Health Agency. The impact of any delays in the construction of the facility will be highly relevant to these products.

Already, all regulated plants and plant products imported from the European Union need to be accompanied by a phytosanitary certificate and subject to checks upon entry into the Portsmouth International Port to certify that the material has been inspected, is considered free from quarantine and other pests, and that it conforms to the plant health importing regulations. As with the Portsmouth Port Health Authority responsibilities to help ease the transition the new import requirements on plants and plants products will be introduced in stages with all new processes expected to be fully operational by 1 July 2021. Any delay in the construction timetable will therefore materially significantly impact upon these prescriptive mechanisms.

### **Funding and financial implications.**

Portsmouth International Port is a council-owned facility, unlike the other commercial ports securing Port Infrastructure Fund. Given the constraints on council funding and the shortfall due to the pandemic, it is not feasible to allocate Council funding to meet the government's new Border Control Post requirements.

Without the additional government funding Portsmouth International Port is therefore unable to continue with all of the projects submitted in the Port Infrastructure Fund bid, despite government recognition that all the sub projects meet the criteria for handling European Union goods under the new trading relationship and border operations.

The port will therefore not continue with the following projects without funding support:

- Live animal Border Control Post. This was forecast to cost £7m.
- Extension and automation of the freight gates to streamline the arrival of freight at the port. This was forecast to cost £1.7m.

**THIS ITEM IS FOR INFORMATION ONLY**

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The main Products of Animal Origin Border Control Post, including the land acquisition and Information Technology system integration remain essential to port operations. These essential schemes are forecast to cost £22.3m. Portsmouth Infrastructure funding totals £17.1, which therefore leaves a funding gap of £5.2m.

The Border Control Post is a government requirement arising out of the exit from the European Union and is there to serve the United Kingdom as a whole. Under the current charging arrangements, any cost burden is not able to be passed on through the Council's charges to operators. Given the national significance and its function to the United Kingdom as a whole, it would be inequitable to pass that cost on to the local taxpayer of Portsmouth.

The short term Defra funding of the Portsmouth Port Health Authority will impact on the operational effectiveness of the Border Control Post and the shortfall in infrastructure funding will further increase these pressures.

Furthermore, if the infrastructure is not ready by 1<sup>st</sup> July 2021 this will result in a considerable loss of income and cost recovery income streams to the port and the Portsmouth Port Health Authority.

**Grant Fund Agreement and Legal**

The port, with the assistance of legal services, is engaging with the Cabinet Office over the terms of the Port Infrastructure Fund grant funding agreement (an initial draft of which has been provided) and the funding shortfall, with a view to the following being discussed/negotiated:

- 1) Owing to the reduction in contingency, government to take responsibility for cost overruns (the draft terms currently put this risk onto the Council).
- 2) Reduced project scope (as detailed above) to reflect the reduced grant funding (the draft terms are currently based upon the full initial bid).
- 3) Be given more time to carry out site investigation, which will reveal the condition of the ground to ascertain a more accurate cost of the building of the main Products of Animal Origin Border Control Post.
- 4) Given that current delays are due to government prevarication and the port being unable to accelerate construction, confirmation from government that the delays to the 1<sup>st</sup> July 2021 deadline do not materially impact on imports through the port with an agreed extension period against the Border Control Post designation.

The revised grant funding agreement issued by government has diluted the claw-back threat on 'late' delivery of the infrastructure after 1 July 2021 to allow some flexibility on the basis that an alternative date may be agreed with government. Whilst this is welcomed, given that Ministers are committed to 1 July 2021 for Border Control Posts, it would be preferable to provide the additional funding needed now to secure the delivery of the

**THIS ITEM IS FOR INFORMATION ONLY**

**(Please note that "Information Only" reports do not require Integrated Impact Assessments, Legal or Finance Comments as no decision is being taken)**

Border Control Posts and thus avoid the resilience and supply-side risks of all trade being diverted to the inland facilities.

Once the final scope of the project has been agreed, this will need to be reflected in the construction contract and any impact upon the tender exercise undertaken (for the construction contractor) will need to be reviewed.

**Conclusion**

From start to finish, this has been a frustrating process and precious time is being eaten up. The grant was underfunded from the start and its application has been inadequate, inequitable and ponderous. The Council will continue to engage with the various government departments and agencies involved but Members should be aware of the reasons why it has not been possible for the Council to progress at the speed it would wish with the provision of the Border Control Point infrastructure the government needs to be in place by 1 July 2021. The intelligence available to us points to Ministers across a variety of Departments wishing to see this resolved and the funding provided. The various regulatory bodies have signed off the design of the facilities and confirmed that the bid made by PIP is fully compliant. The proposed staffing regimes have been discussed and agreed, albeit facing recruitment pressures. Meanwhile, an impasse or status exists in government, delays are mounting and contractors, who need to order materials, are advising that completion dates are becoming unrealistic. All of this will impact on United Kingdom trade, the efficiency and effectiveness of our port operation and the resilience of the United Kingdom import capacity.

.....  
Signed by (Director)

**Appendices:**

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

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

Title of document	Location
N/A	

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# Agenda Item 10



<b>Title of meeting:</b>	Cabinet
<b>Date of meeting:</b>	2 February 2021
<b>Subject:</b>	Shareholder Committee - appointment of members
<b>Report by:</b>	City Solicitor
<b>Wards affected:</b>	ALL
<b>Key decision:</b>	/No
<b>Full Council decision:</b>	/No

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## 1. Purpose of report

This report seeks appointment of members to the Shareholder Committee in order for the committee to be incorporated and members to work the City Solicitor in taking forward the below noted recommendations.

## 2. Recommendations

- i. Appoint members of the Shareholder Committee in accordance with the terms of appointment as per the Cabinet Report of 26 March 2020 (as detailed below);
- ii. Appoint members of the Shareholder Committee to work with the City solicitor to finalise terms of reference and incorporate the Local Government Lawyer best practice guidance (at appendix A) to ensure the necessary constitution changes take place.

## 3. Background

A report was taken to and approved by cabinet on 26 March 2020 (the Report") at link <https://democracy.portsmouth.gov.uk/documents/s26711/PCC%20Company%20Directors%20report.pdf>) with the following recommendations-

- *The City Solicitor prepares and drafts a protocol (drawn from best practice and expert advice - attached at Appendix A and Appendix D) approved by the Governance and Audit Committee as a reference and guide for the overall corporate governance structure (i.e. company structure and board composition) relating to PCC owned companies and incorporated within the PCC's constitution.*

- *A shareholder committee is established and is responsible for the oversight of the Ravelin Group companies and all other future company subsidiaries (where relevant)*

GAAS approved the Shareholder Committee terms of reference on 20 November 2020 and recommended delegation regarding the Local Government Lawyer best practice guidance (at appendix A) to the City Solicitor to work with all PCC owned companies to ensure the necessary constitutional changes and guidance is adopted by the Shareholder Committee post incorporation.

#### Shareholder Committee membership requirements

The agreed Shareholder Committee structure consists of a majority from the Administration and one Member from all other parties, drawn from the elected Members of the Council. Subject to below, other Members of the Council (who are not directors of any of the companies concerned) may attend and vote as substitutes in the event that an appointed Member of the Shareholder Committee is unable to attend.

As the role of the Shareholder Committee is to advise and discharge executive functions in relation to company matters and to exercise the role of the Shareholder Representative, only Cabinet members can be members of the Shareholder Committee with voting rights, although other Cabinet members and non-Cabinet members can be invited to attend, without voting rights along with 1 member from each opposition group who shall be invited to attend who will not have voting rights.

The Leader will be the chairman of the Shareholder Committee and will have the casting vote in the event that a majority decision cannot be reached. A Vice Chair will be selected from the elected members of the Shareholder Committee.

The necessary quorum for the meeting will be no less than three elected and vote rights bearing Cabinet Members of the Council present.

#### **4. Reasons for recommendations**

It is necessary for members of the Shareholder committee to be agreed so that incorporation of the committee can take place and carry out the function as recommended within the Report.

#### **5. Integrated impact assessment**

An integrated impact assessment is not required as the recommendations do not have a significant positive or negative impact on communities and safety, regeneration and culture, environment and public space or equality and diversity.

#### **6. Legal implications**

The City Solicitor comments are contained within this report.

**7. Director of Finance's comments**

There are no direct financial implications as a result of approving the recommendations within this report.

.....  
Signed by:

**Appendices:**

Appendix A - Local Government Lawyer best practice guidance.

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

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

Title of document	Location

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

.....  
Signed by:

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# Agenda Item 13

<b>Title of meeting:</b>	<b>Cabinet</b>
<b>Date of meeting:</b>	<b>Cabinet 2<sup>nd</sup> February 2021</b>
<b>Subject:</b>	<b>Cosham Development Sites</b>
<b>Report by:</b>	<b>Tom Southall, Assistant Director - Property and Investment</b>
<b>Wards affected:</b>	<b>Cosham</b>
<b>Key decision:</b>	<b>Yes</b>
<b>Full Council decision:</b>	<b>No</b>

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## 1. Purpose of report

- 1.1. This report sets out the opportunity to assemble and redevelop land west of Cosham District Centre High Street through a series of property transactions with its public sector partners.
- 1.2. Land assembled through the proposed transactions, together with the Council's existing property interests, will create the opportunity to masterplan the Western Central corridor of the Cosham District in partnership with community service providers to create significant high quality development and growth that supports the centre's vitality and viability.
- 1.3. The report seeks authority for disposal and acquisition of sites to facilitate the future redevelopment of the Cosham District.

## 2. Recommendations

The Cabinet approves and authorises that;

- 2.1. Subject to the approval and successful negotiation of recommendations 2.2 and 2.3 the Freehold of the land known as Portsmouth Craft and Manufacturing Industries (PCMI), 85 Northern Road, Cosham, Portsmouth PO6 3EP as shown edged red on the plan at **Appendix A** and forming part of title PM24912 be sold freehold to the acquiring party (for the consideration outlined confidentially in **Appendix B**).
- 2.2. The Freehold of the land known as Cosham Fire Station, Wayte Street, Cosham, Portsmouth PO6 3BS as shown edged red on the plan at **Appendix C** and forming part of title PM35957 and PM37047 be acquired by Portsmouth City Council (for the consideration set out confidentially in **Appendix D**).
- 2.3. The freehold of land known as Cosham Police Station, Wayte Street, Cosham, Portsmouth PO6 3BS as shown edged red on the plan at **Appendix E** and



forming part of title PM13256 be acquired by Portsmouth City Council (for the consideration set out in confidential **Appendix F.**)

- 2.4. The Director of Regeneration and City Solicitor be authorised to finalise negotiations, prepare and complete the necessary documentation in line with the intent of the Heads of Terms, to appoint a third party solicitor and to complete all necessary documentation in order to undertake 2.1, 2.2 & 2.3 above.

And that the Cabinet recommends to City Council that:-

- 2.5. Authority is delegated to the Director of Finance and Section 151 Officer in consultation with the Leader of the Council to allocate all proceeds of the sale of PCMI, (85 Northern Road) to be used to acquire Cosham Fire Station and Cosham Police Station and that any surplus proceeds remaining are used to bring forward the development opportunity.

### **3. Strategic opportunity**

- 3.1. The Cosham District Centre is a successful retail centre, part pedestrianised at the northern end of the High Street with a selection of national chain and local shops. The identified area of opportunity for redevelopment lies over Northern Road (A397) north of the railway line and an area north of Southampton Road.
- 3.2. The Opportunity Area is in a sustainable location with many key facilities in easy walking distance and benefits from good rail and bus connections into Portsmouth. The adjoining retail centre, dominated by high street chain stores, could be vulnerable in the long term due to the impact of COVID-19; decreasing footfall; competition from online shopping and other larger retail zones.
- 3.3. The Council's property interests in Cosham combined with other nearby public assets form an Opportunity Area that is supported as part of the One Public Estate engagement. The One Public Estate is a partnership programme between the Office of Government Property in Cabinet Office, the Local Government Association and the Ministry of Housing, Communities and Local Government whose aim is to bring together public bodies and assets to bring forward more efficient and better places.
- 3.4. The Council has engaged with the One Public Estate forum for a number of years and has historically been successful in obtaining grant funding to invest in a regeneration scheme specifically for the Cosham area.
- 3.5. Following the receipt of grant funding in an earlier phase of the One Public Estate programme to support the Cosham regeneration, the Council has been able to build on relationships with Hampshire Constabulary; Hampshire Fire and Rescue Service; the clinical commissioning group NHS Property Services; and NHS Solent Trust to support public property interests and align aspirations for current and future property needs.
- 3.6. The initial outcome of this engagement with partners are the recommendations presented in this paper which efficiently brings together the Hampshire Constabulary and Hampshire Fire and Rescue Service's property needs whilst



providing the Council with an opportunity to amalgamate adjacent land parcels that could be used to realise the development needs of other partners.

- 3.7. The two proposed sites for acquisition form key anchor sites to the Cosham Centre, giving the Council control of establishing the principles of development, investment and regeneration in the area. Together with the Council's other land interests in the primary and secondary areas a preferred development approach can evolve to capitalise on the opportunity to co-locate key public services, employment needs and housing in a centrally accessible location. This would otherwise be more challenging to deliver if the sites were in the ownership of third party investors and developers and could result in a piecemeal approach to development that would not necessarily be deliver the needs of the community or be capable of supporting public services.
- 3.8. The Council's PCMI site is vacant and surplus to requirements, having previously provided employment and learning skills services. The PCMI site is situated to the East of the Edinburgh House site, also owned by the Council. The adjacent Edinburgh House site is a vacant development site which is being developed by the Council to provide supported dementia care services. The employment and learning skills service now operates from a range of sites.
- 3.9. The recommendation to dispose of the PCMI site to a key community service provider will support the delivery of an urgent and critical state of the art public sector asset to replace their existing premises that are no longer fit for purpose. There are strict guidelines and requirements governing where such a facility can be situated within the locality and the only current deliverable plot is the PCMI site. Officers and the acquiring party have invested significant time and investment to ensure that the development opportunity for the site is optimised. To ensure the development opportunity is realised the site will be sold subject to planning permission.
- 3.10. To further support and build upon these recommendations, the Council submitted an application to the One Public Estate phase 8 programme for funding. At the time of writing, the application is still under consideration and outcome is expected very shortly. Should the Council be successful in its grant application the combined receipt with the surplus proceeds from the disposal of PCMI, will be used to facilitate initial scoping and appraisal of the development options for partners and the wider community. A masterplan programme and action plan will then set out clear strategic objectives and vision to achieve the desired outcomes. This work be funded subject to approval in the usual way through the capital programme.
- 3.11. Approval of the recommendations within this report will drive investment in the Cosham District Centre so the Council is able to actively promote and deliver economic growth opportunities, and access to joined up public services. Further benefits would also arise from promoting high quality design and regeneration to enhance the public realm, accessibility, supporting footfall to the high street and delivering housing needs against the Local Development Plan.



**4. Reasons for recommendations**

- 4.1. The recommendations are considered by officers as an important opportunity to assemble land to facilitate the optimum strategic development of sites in Cosham, through a co-ordinated approach with community partners and the One Public Estate.
- 4.2. Ring-fenced capital receipts combined with the One Public Estate funding will allow the master planning to progress seamlessly to bring forward the vision of the Council and public service partners to deliver much needed change in the quickest possible time.

**5. Integrated impact assessment**

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

**6. Legal implications**

- 6.1. Under s123 of the Local Government Act 1972 the Council may dispose of any land in any manner they wish provided that it must be for the best consideration that can reasonably be obtained. If the disposal is not for the best consideration obtainable then the consent of the Secretary of State will be required.
- 6.2. Independent external valuations have been obtained for each site to establish the market and existing use value. Property & Investment have negotiated each transfer taking account of each sites unique circumstances and considerations and the terms agreed are in line with the valuations received and agreed terms are detailed in the relevant appendices.

**7. Director of Finance's comments**

- 7.1. The acquisition of the Cosham Fire and Police station sites will be funded from the proceeds of the sale of the former PCMI site, the proceeds from the sale of the site will be adequate to acquire the other two sites.
- 7.2. The use of a Capital Receipt requires approval from Full Council and an amendment to the approved Capital programme. This will be included within the Capital Programme Report to be taken to Full Council on the 9<sup>th</sup> February 2021.
- 7.3. The Council would look to develop out these sites as quickly as possible, any excess monies from the sale of the site will be used to carry out feasibility studies and design works, with a view to bringing forward a planning permission for a financially viable development.

.....  
Signed by:

**Appendices:**

Appendix A Plan of land to be disposed at PCMI

- Appendix B EXEMPT - Heads of Terms relating to disposal of PCMI land - Confidential
- Appendix C Plan of land to be acquired at Cosham Fire Station
- Appendix D EXEMPT - Heads of Terms relating to acquisition of Cosham Fire Station - Confidential
- Appendix E Plan of land to be acquired at Cosham Police Station
- Appendix F EXEMPT - Heads of Terms relating to acquisition of Cosham Police Station - Confidential

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

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

Title of document	Location

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

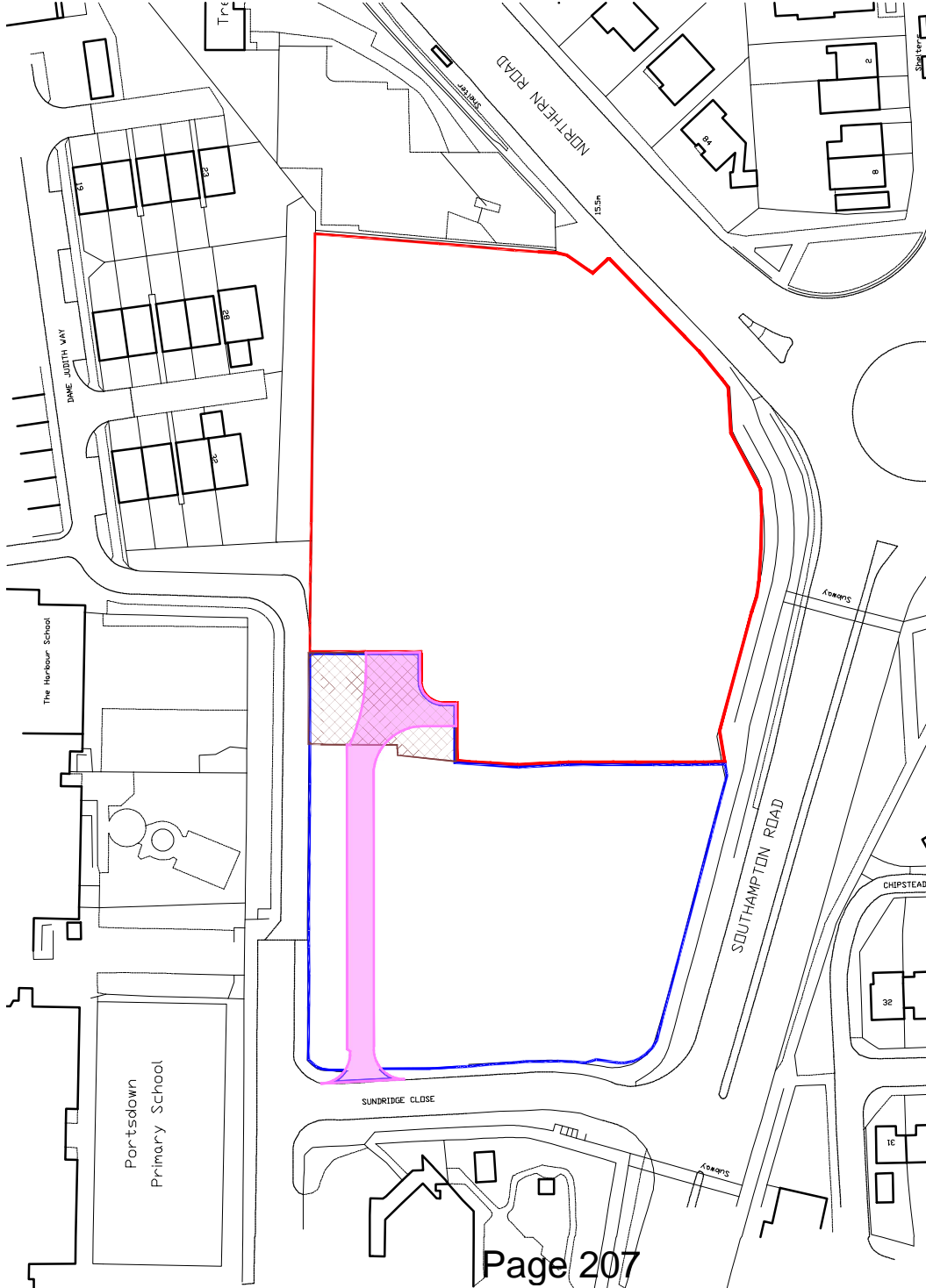
.....  
Signed by:

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2. This drawing is intended as a guide, and is subject to further detailed information being provided, including but not limited to a full topographical survey, service enquiries and an arboriculture study.

- PCMI Site Boundary
- Edinburgh House Site Boundary
- Shared Access
- Land Required (507m<sup>2</sup> (0.0507Ha))



Rev	Date	Description	Rev By	Ctd By	DRK	SS
A	14.01.20	First Issue				

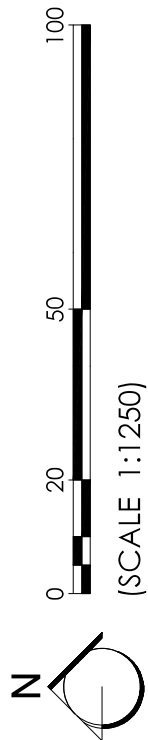


The people orientated placemakers.

Client: PCC

Project: EDINBURGH HOUSE / PCMI SITE  
Access from Sundridge Close  
Cosham  
PORTSMOUTH

Drawing Title: TITLE PLAN



Drawing Status	Scale
PRELIMINARY	1:1250 @A4
Document Ref	Revision
1200 SK 10	A
DRK	DRK

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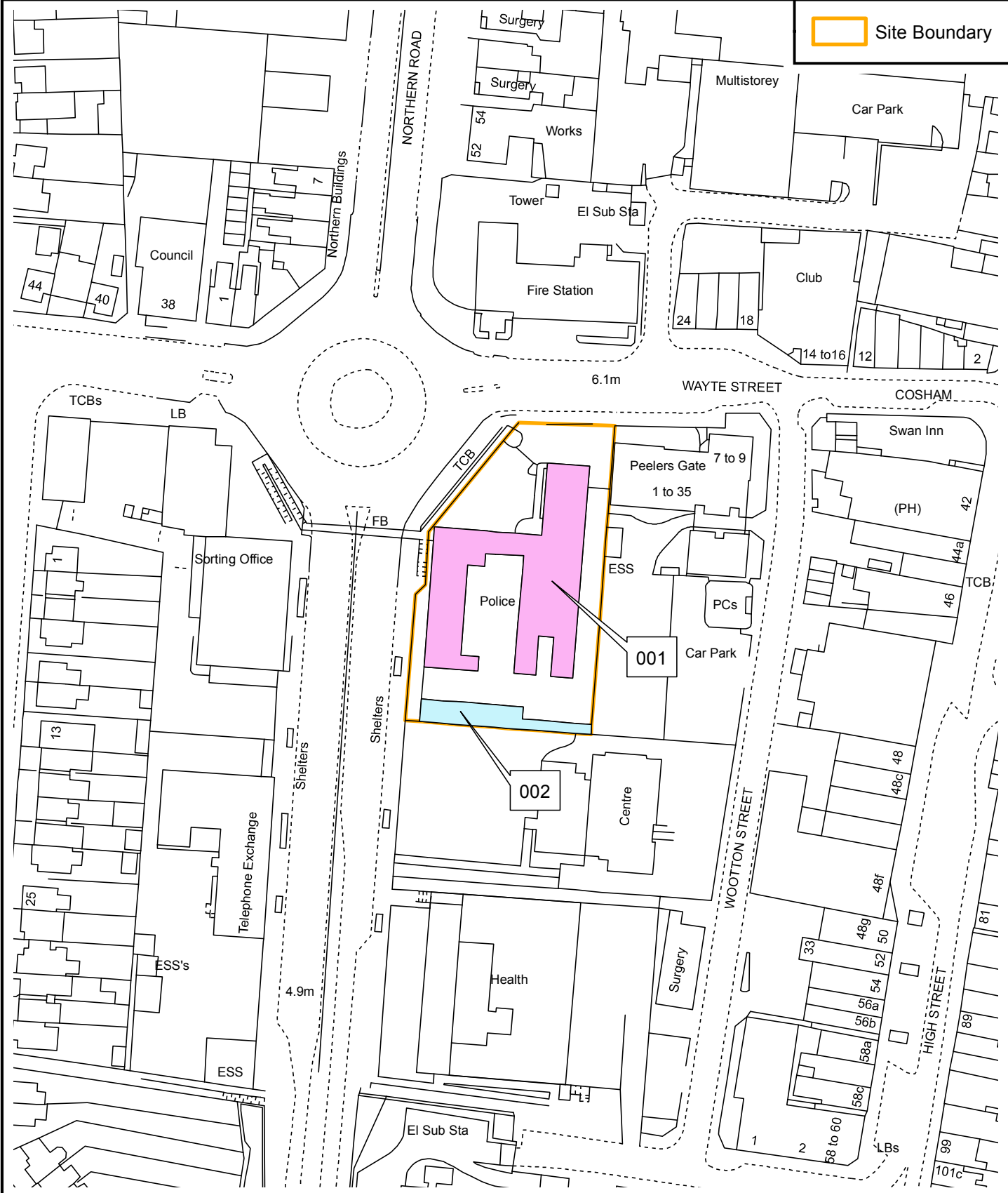


## Appendix C

### Plan of Cosham Fire Station



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Site Boundary



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1:1250

**PROPERTY SERVICES**

**HC SITE BUILDING PLAN 50009000035**

**1 of 1**

**Site: COSHAM POLICE STATION**  
**Address: WAYTE STREET COSHAM PORTSMOUTH PO6 3BS**

File Ref: **12PA/**  
 Cost Centre: **UNKNOWN**  
 Term Contract Area: **POLICE**  
 OS Grid Ref: **SU65660544**

**Page 211**

Permanent Buildings Last Amended: **01/09/2015**



**Hampshire**  
 County Council

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