

CABINET

RECORD OF DECISIONS of the meeting of the Cabinet held on Thursday, 3 December 2015 at 1.00 pm at the Guildhall, Portsmouth

Present

Councillor Donna Jones (in the Chair)

Councillors Ken Ellcome
Lee Mason
Robert New
Linda Symes
Steve Wemyss
Neill Young

69. Apologies for Absence (AI 1)

Apologies for absence were received from Councillor Luke Stubbs who was at a Health & Social Care conference in West Sussex.

70. Declarations of Interests (AI 2)

Councillor Wemyss made a declaration in that he lived in close proximity to Skye Close when it was mentioned during the discussions on the budget savings proposals.

71. Record of Previous Decision Meeting - 5 November 2015 (AI 3)

DECISION

That the record of decisions taken at the Cabinet meeting of 5 November 2015 be agreed as a correct record and signed by the Leader.

72. Still Human, Still Here (information item) (AI 4)

David Williams, the Chief Executive, presented the report which was in response to a previous notice of motion passed at full council. The report described the campaign, membership and issues for the city. The Leader thanked the officers for the detailed report and felt this was a worthy cause. It was noted that many of the functions related to Home Office powers for dealing with granting of asylum. A campaign had been set up to lobby the government regarding the accompanying financial burdens. Councillor Young as Cabinet Member for Children & Education had concerns regarding the unaccompanied children seeking asylum and the independent fostering agencies charging more for the services and he hoped the campaign may help the city council with these concerns.

This report was noted.

73. Process for Community Infrastructure Levy (CIL) Neighbourhood Proportion Spend (AI 5)

Claire Upton-Brown presented the report by the Director of Culture & City Development which aimed to put in place a less cumbersome process to spend CIL than the original procedure introduced in 2013. The Leader welcomed this and wished to add an additional recommendation (c) regarding the DCLG regulations for neighbourhood contributions to enable spend across ward boundaries where it was appropriate to do so.

DECISIONS: the Cabinet agreed the revised process for agreeing the spending of the neighbourhood proportion of the levy, as set out in section 4 of this report. That is:

- a) To delegate the function of decisions as to the expenditure of CIL to the Assistant Director of Culture & City Development in consultation with the S.151 Officer;**
- b) To adopt the procedure referred to in section 4 of the report;**
- c) Cabinet noted that DCLG regulations require that neighbourhood contributions from the biggest schemes are not pooled on a city wide basis in areas with adopted Neighbourhood Plans and therefore Cabinet will in general not look to allocate pooled Neighbourhood Proportion funds to schemes in such areas.**

74. Property Investment Strategy (AI 6)

Tom Southall presented the report by the Director of Housing & Property, seeking further funds for this property investment, which would be forwarded to council for approval as this altered the corporate capital programme. Councillor Donna Jones as Leader was very supportive of this and felt that in response to the Chancellor's autumn statement the removal of the local government grant formula there was a need to look for high yields through rents. She wished to stress that in response to the misconception in recent publicity this was to do with borrowing for investment and an income for the city council and it was not a capital spend that could be used for alternative projects such as the Northern Quarter. If there was a good proposition available in the Portsmouth area this would be considered as well as those outside of the area.

RECOMMENDED City Council that:

- i) The Director of Finance & S151 Officer be authorised to amend the Corporate Capital Programme, Property Investment Fund by adding an additional £20m financed from Prudential borrowing in 2015/16, to acquire additional investment property.**
- ii) That any unutilised borrowing ability within the Property Investment Fund in 2015/16 be automatically carried forward into 2016/17.**

75. Budget & Performance Monitoring Report Quarter 2 to end September 2015 (AI 7)

A deputation was made by Councillor Gerald Vernon-Jackson, Leader of the Opposition, who was worried by this report with a projected overspend of almost £6 million. He had reviewed the previous monitoring reports within the 11 years of Liberal Democrat administration and he stated that there had been underspends in ten of these years. He therefore questioned the financial competence of the present administration and felt that the other budget reports (on this agenda) showed that there were cuts that would affect the most vulnerable.

Chris Ward, the Director of Financial Services and Section 151 Officer introduced his report which at this stage showed a forecast overspend of £3.2 million with the main areas of Children & Education £2.3 million and Health & Social Care £2.2 million but there were offset savings due to the Ferry Port income and changes in the way debt was funded which brought this down to £3.2 million.

RECOMMENDED to Council that:

- (i) The forecast outturn position for 2015/16 be noted:**
 - (a) An overspend of £2,695,900 before further forecast transfers from/(to) Portfolio Specific Reserves**
 - (b) An overspend of £3,123,300 after further forecast transfers from/(to) Portfolio Specific Reserves.**
- (ii) Members note that any actual overspend at year end will in the first instance be deducted from any Portfolio Specific Reserve balance and once depleted then be deducted from the 2016/17 Cash Limit.**
- (iii) Directors, in consultation with the appropriate Cabinet Member, consider options that seek to minimise any forecast overspend presently being reported and prepare strategies outlining how any consequent reduction to the 2016/17 Portfolio cash limit will be managed to avoid further overspending during 2016/17.**

76. Proposals to meet the underlying budget deficit of the Health & Social Care portfolio (AI 8)

Chris Ward, the Director of Financial Services and Section 151 Officer, reported on these two big areas of overspend which were projected to fall within their cash limit over this year and the next financial year. For Health & Social Care it was £2.4 million deficit but there had been progress on this, so £2.2 million was now forecasted and the proposals aimed for a further improvement to the situation to eliminate the deficit by the end of the financial year.

DECISIONS:

- (1) The following was approved:**
 - (i) That the proposed savings as set out in Appendix A for the Health and Social Care Portfolio amounting, in total, to £2.4m in a full year be approved to enable appropriate consultation and notice periods to be given to affected parties.**
 - (ii) That Managers commence any necessary consultation process or notice process necessary to implement the approved Portfolio savings.**
- (2) the following was noted:**
 - (i) The savings proposals set out in Appendix A are indicative 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 A with alternative proposal(s) amounting to the same value within their Portfolio.**
 - (ii) The likely impact of savings as set out in Appendix A of the report.**

77. Proposals to meet the underling budget deficit of the Children & Education portfolio (AI 9)

Chris Ward, the Director of Financial Services and Section 151 Officer, reported that the Children & Education portfolio had started with a £7.2 million deficit. This was now forecast at £2.3 million which had made progress to be £1.8 million and this would be remedied further to eliminate the deficit by the end of the financial year.

DECISIONS:

- (1) the following was approved:**
 - (i) That the proposed savings as set out in Appendix A for the Children and Education Portfolio amounting, in total, to £2.7m in a full year be approved to enable appropriate consultation and notice periods to be given to affected parties.**
 - (ii) That Managers commence any necessary consultation process or notice process necessary to implement the approved Portfolio savings.**
- (2) the following was noted:**
 - (i) The savings proposals set out in Appendix A are indicative 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 A with alternative**

proposal(s) amounting to the same value within their Portfolio.

- (ii) The likely impact of savings as set out in Appendix A of the report.**

78. Portsmouth City Council Revenue Budget - Savings Proposals (AI 10)

The Director of Financial Services and Section 151 Officer presented the report which would be taken to council the following week that set out the way to prepare for the February budget for £11 million of savings with a total of £31 million over three years. This was predicated on a 2% Council Tax increase. There was also the new burden relating to the national living wage, which was a cost pressure largely in Adult Social Care amounting to approximately £1.5 million. The government would allow an increase in council tax of a further 2% which could be used for the cost pressures for Adult Social Care. There was a proposed extra £0.5m released from the Spend to Save for business interventions.

A deputation was then made by Councillor Gerald Vernon-Jackson as Leader of the Opposition to express his concern regarding the in-year savings and cuts to the services such as Children's Services and he felt these were based on unrealistic expectations such as fewer children being taken into care. He also felt there was choice being taken away from clients in Adult Social Care. His concerns also related to the cuts to domestic violence, school crossing patrols, children's dental care, community centres, hate crime, town centre management and that union workers support being lessened which he felt was undeliverable and a cost shunt.

Councillor Lynne Stagg then made a deputation expressing her concern regarding the cuts to domestic violence and public health (alcohol abuse) and she felt these would cause knock-on effects on other services.

In response, Councillor Jones, as Leader stated that looking at the combined budget reports in relation to Children's Services budget this had been overspent in eight out of the ten years under the previous administration and they had used money from reserves previously put aside by the Conservative administration. There had also been an inheritance of a £3.8 million deficit for 2014/15 that had already been reduced to £2.2 million with further savings outlined. She therefore thanked Councillor Young and the officers in halving the deficit in a 12 month period. There had also been a shortfall of £1.5 million for Health & Social Care under the previous Administration which would be funded by a one-off reserve and measures were now in place to seek remedy of the previous deficit and there were the further implications of the national living wage to be factored in.

The Leader stated that the Children's Centres were not going to be cut but they would be less running of buildings but more people running services at new satellite centres in the communities. She was pleased that new director Alison Jeffery was joining in January who would look at the numbers of children coming into local authority care. There were plans to redesign the

adult respite care service and she was pleased with the close integration with the CCG. Cllr Jones, Cllr Stubbs and the Chief Executive were working closely with the CCG and Ursula Ward of the NHS Hospitals Trust to look at a rejuvenation of Adult Social Care services.

Councillor Jones was disappointed by the recent publicity regarding school crossing patrols and the contact made by Councillor Vernon-Jackson with the headteachers as the appropriate consultation will be started after a decision is made. With regard to libraries the approach was being taken in asking a partner organisation to run one of the libraries and it was not a matter of closing a library. There was also the opportunity to ask the Police Commissioner for funding towards domestic violence as the Chancellor had maintained the police budget so Councillor Rob New would be making this approach. Councillor Jones had had a useful meeting at the Staff Joint Meeting with the unions and stressed that staff would continue to be supported. There would be efficiencies regarding reducing the three different providers to two for alcohol and drug treatment.

Councillor Young, as Cabinet Member for Children & Education emphasised that these the pressures on services were shared nationally and these needed to be addressed in a controlled and measured way. He would looking to see how to reduce costs and was working with providers on 'Positive Activities'. He stressed that with the aspirational reduction in the numbers of looked after children whilst ensuring a supportive and safe environment, working with the families, with children being taken into care as a last resort.

Councillor Rob New as Cabinet Member for Environment & Community Safety shared others concerns regarding the reduction to the domestic violence budget of £230,000 in non-statutory services, but was seeking government funding to help with this and looking at redesigning the domestic abuse service and was grateful for the positive input from the Safer Portsmouth Partnership. He reported on the creation of a cross-Hampshire task force to ask the government for assistance. He also thanked Penny Mordaunt MP and the cross-party strategy with his opposition spokespersons on the provision of drop-in surgeries which they had become involved in. Councillor Donna Jones was also grateful to Penny Mordaunt MP for arranging a funding seminar for managers (taking place the following week) regarding government grants available in non-statutory services.

Councillor Linda Symes, as Cabinet Member for Culture, Leisure & Sport was grateful to those who were offering their time to help in the libraries and museums and said that there was no truth in the rumour that the City Museum was planning to be sold off. She was pleased that there had been innovation in seeking funding from sponsorship on the Emirates Spinnaker Tower. Councillor Wemyss, Cabinet Member for Housing felt that the Liberal Democrats should suggest alternatives rather than make criticisms and invited a constructive approach and this was reiterated by Councillor Ellcome. Councillor Donna Jones, as Leader wished to stress that the budget included a third of the items as income generation rather than cuts.

RECOMMENDED (1) that the following be approved:

- (a) That the Council's Budget for 2016/17 be prepared on the basis of a 2% Council Tax increase**
- (b) That in the event that the Council has the ability to increase the level of Council Tax beyond 2% in order to fund Adult Social Care pressures, and if the Council elects to do so, that any additional funding that arises is passported direct to Adult Social Care to provide for those otherwise unfunded cost pressures.**
- (c) The savings proposals for each Portfolio amounting, in total, to £11m for 2016/17 and continuing into future years as set out in Appendix A to enable appropriate consultation and notice periods to be given to affected parties**
- (d) That £500,000 be released from the MTRS Reserve to increase the Business Intervention Fund in order to increase the scale and pace of the programme of Service interventions described in paragraphs 10.17 and the funding to be used flexibly across years**
- (e) That the allocation of the Business Intervention Fund to Service interventions be delegated to the S151 Officer in consultation with the Leader of the Council.**

(2) that the following be noted:

- (a) The Budget Savings Requirement for 2016/17 of £11m approved by the City Council was based on a Council Tax increase of 2.0%; each 1% change (increase or decrease) in the Council Tax results in a change to the savings requirement of £625,000¹**
- (b) The key themes arising from the budget consultation**
- (c) The indicative savings proposals set out in Appendix B which are provided for the purpose of demonstrating to the Council that the Portfolio savings as recommended in paragraph (1)(c) above are robust and deliverable**
- (d) The likely impact of savings as set out in Appendix B based on the scale of the Portfolio savings as recommended in paragraph (1)(c)**
- (e) That the responsibility of the City Council is to approve the overall Budget and the associated cash limits of its Portfolios and Committees; it is not the responsibility of the City Council to approve any individual savings within those Portfolios / Committees**

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

- (f) That it is the responsibility of the individual Portfolio Holders (not the City Council) to approve the individual savings proposals and the Portfolio Holder can therefore, in response to any consultation, alter, amend or substitute any of the indicative savings proposal(s) set out in Appendix B with alternative proposal(s) amounting to the same value within their Portfolio
- (g) Managers will commence any necessary consultation process or notice process necessary to implement the approved Portfolio / Committee savings
- (h) That there is no general provision for Budget Pressures and that it is the responsibility of the Portfolio Holder to manage any Budget Pressures which arise from the overall resources available to the Portfolio (which includes their Portfolio Reserve)
- (i) In accordance with the approved financial framework, it is the responsibility of the Portfolio Holder, in consultation with the Director of Finance & Information Services (S151 Officer), to release funds from the Portfolio Reserve in accordance with the provisions set out in paragraph 10.14
- (j) The MTRS Reserve held to fund the upfront costs associated with Spend to Save Schemes, Invest to Save Schemes and redundancies currently holds a very modest uncommitted balance of £3.0m and will only be replenished from an approval to the transfer of any non-Portfolio underspends at year end into this reserve.

79. Exclusion of Press and Public (AI 11)

DECISION:

That under the provisions of section 100A of the Local Government Act 1972 as amended by the Local Government (Access to Information) Act 1985, the press and public be excluded from consideration of the following item on the grounds that the report contains information that was defined as exempt in Part 1 of Schedule 12A to the Local Government Act, 1972 relating to the exempt appendices of the report on the Sports and Leisure Centres Strategic Contract Review.

80. Sports and Leisure Centres Strategic Contract Review (AI 12)

(TAKE IN REPORT BY THE DIRECTOR OF CULTURE & CITY DEVELOPMENT WITH EXEMPT APPENDICES)

The report was presented by David Evans who was accompanied by James Fitzgerald who answered members' questions within the exempt session and explained the background to the review, its findings and proposed savings.

DECISIONS:

- (1) That the Cabinet approved the re-procurement option for the Mountbatten Centre Contract and other Leisure Management Contracts for the provision of these facilities.**
- (2) That the City Solicitor, the Director of Finance and Information Services (Section 151 Officer) in consultation with the Cabinet Member for Culture, Leisure and Sport have delegated authority to conclude all necessary actions to implement the decision.**

The meeting concluded at 2.25 pm.

Councillor Donna Jones
Leader of the Council