

AGENDA ITEM 8 - Portsmouth City Council Budget & Council Tax 2017/18 & Medium Term Budget Forecast 2018/19 to 2020/21

Amendment to Cabinet recommendations attached.

Proposed by (Name) Councillor Stephen Morgan

Signed _____

Seconded by (Name) Mr. Y. Chowdhury

Signed _____

Amendment proposed by the Labour Group

Portsmouth City Council - Budget & Council Tax 2017/18 & Medium Term Budget Forecast 2018/19 to 2020/21

That the recommendations of the Cabinet of 9 February 2017 (Minute 7/17) on "Portsmouth City Council - Budget & Council Tax 2017/18 & Medium Term Budget Forecast 2018/19 to 2020/21 be amended as follows:-

Recommendation 1 (a) be amended to

1(a) The revised Revenue Estimates for the financial year 2016/17 and the Revenue Estimates for the financial year 2017/18 as set out in the General Fund Summary (Appendix A amended) including the changes described in paragraph 1(q) below:-

1(q) the following changes be made to Cash Limits for 2017/18 and future years as set out in the table below, but Members note 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 or additions within those Portfolios/Committees, that responsibility is reserved for Cabinet Members. The budget savings and additions in the tables below are therefore indicative only.

i) Reductions to Revenue Estimates

Indicative Portfolio Savings Proposal	Impact on Level of Service & Service Outcomes	2017/18	2018/19 & Future Years
		£	£
Resources			
20% Reduction in the Basic Councillor Allowance*	A reduction in allowances may cause the future recruitment of Councillors to be more challenging	(80,000)	(80,000)
25% Reduction in the Special Responsibility Allowance*	A reduction in allowances may discourage Councillors from accepting Cabinet or Committee posts	(20,000)	(20,000)
A reduction in Cabinet Members from 9 to 7 **	A re-organisation of the portfolios of Cabinet Members such that some (or all) of the remaining Cabinet Members take on increased responsibilities.	0**	0**
A move to 'All Out' (whole Council) Elections***	Election of members would take place once every four years	0***	0***
Reduction in support to the Leader's Office	Reduction in the availability and effectiveness of the Leader of the Council to promote the City and undertake Council duties	(35,000)	(42,000)
Reduce number of HR Business Partners by 1 full time equivalent member of staff	Business partners are the most senior HR support for directorates. A reduction in capacity will present a risk to the organisation, including the capacity to properly support organisational change and the associated risk of legal challenge as well as the ability to expand its commercial activities.	(45,000)	(54,000)
Reduce Administrative Support provided to Directors	Reduction in the capacity, availability and accessibility of Senior Officers. Senior Officers will spend a meaningful proportion of their time on administrative functions	(54,000)	(65,000)
Reduce role and function of communications team	Limited ability to respond to the media, provide information to the public and run campaigns. Potential negative impact on income and access to services	(50,000)	(60,000)
Total		(284,000)	(321,000)

*** Members should have regard to the report of the Independent Remuneration Panel and recommendations of Council on 22nd January 2013 as amended by the City Council on 15 July 2014.**

**** Members should note that, in accordance with the Local Government Act 2000, this is a decision for the Leader of the Council not the Council itself. In the event that the Leader elects to take such a decision, the savings amount will increase by £15,000.**

***** The required process for moving to whole council elections would be as follows**

- I. Full Council resolves to undertake public consultation as the Council thinks appropriate on any proposed change**
- II. Have regard to the outcome of the consultation before making its decision**
- III. Convene a special meeting of the Council**
- IV. Full Council must pass a resolution by a two-thirds majority of those voting at that Special meeting**
- V. The resolution must specify the commencement year (earliest date would be May 2018)**
- VI. The resolution is the means by which the term of office is reduced for any members whose term would not be completed**
- VII. Any election(s) scheduled to take place before the start date indicated in the Council's resolution would continue as normal**
- VIII. An explanatory document on the decision must be published after the resolution is made**
- IX. The Council must notify the Boundary Commission of the scheme adopted and the commencement year**
- X. If the Council resolves to change to whole council elections, the decision cannot be reversed until five years from the date of the resolution**

The earliest implementation date would be from May 2018 and the saving is estimated to be £43,000 per annum.

The relevant legislation is contained in sections 32-36 of the Local Government and Public Involvement in Health Act 2007 (as amended by the Localism Act 2011)

ii) Additions to Revenue Estimates

Saving No.	Increases to Portfolio Cash Limits - Deletion of Indicative Savings and/or New Spending Proposals	2017/18	2018/19 & Future Years
		£	£
080	Increase Trade Union Support to 80% of 2016/17 level	22,500	22,500
New	To invest in Adult Social Care in order to respond to increases in both cost and demand for care services arising from the general growth in the elderly population and the increase in complexity of care needs	261,500*	298,500*
Total		284,000*	321,000*

* In the event that the Leader accepts the proposal to reduce the number of Cabinet Members from 9 to 7, then the amount available for this proposal will increase by £15,000 from 2017/18 onwards

In the event that Council resolves to implement whole Council elections then the amount available for this proposal would further increase by £43,000 per annum from 2018/19 onwards

Recommendation 1(b) be amended to:-

1(b) The Portfolio Cash Limits for the Revised Budget for 2016/17 and Budget for 2017/18 as set out in Sections 7 and 9, respectively as amended by paragraph 1(r) below:-

1(r) The following changes be made to Cash Limits for 2017/18 and future years

Portfolio / Committee	2017/18 £	Future Years £
Health & Social Care Resources	261,500 (261,500)	298,500 (298,500)
Total	0	0

SECTION 151 OFFICER'S COMMENTS

Under Recommendation 1(p), the Section 151 Officer advises as follows:-

The proposals contained within this amendment do not alter the statements made by the Section 151 Officer in Section 13 of this report.

CITY SOLICITOR'S COMMENTS

The City Solicitor is satisfied that it is within the City Council's powers to approve the amendment as set out, and supports the advice of the Section 151 Officer given above.

Labour Group Amendment

GENERAL FUND SUMMARY - 2016/17 to 2020/21

APPENDIX A (Amended)

Original Budget 2016/17 £	NET REQUIREMENTS OF PORTFOLIOS	Revised Budget 2016/17 £	Original Budget 2017/18 £	Forecast 2018/19 £	Forecast 2019/20 £	Forecast 2020/21 £
24,566,700	Children's Social Care	24,053,500	23,842,700	25,292,700	26,013,400	26,712,800
10,232,060	Culture Leisure & Sport	10,423,760	10,160,860	10,345,160	10,561,460	10,771,560
25,037,557	Education	25,107,657	24,247,457	24,378,857	24,531,257	24,635,857
16,029,713	Environment & Community Safety	15,759,113	15,800,013	16,162,613	16,573,113	16,970,713
42,250,279	Health & Social Care	45,355,779	45,694,379	49,718,179	52,522,979	53,787,279
9,348,628	Housing	9,288,528	9,040,528	9,031,628	9,132,828	9,228,128
257,853	Leader	141,953	144,153	147,353	151,153	154,953
3,688,129	Planning Regeneration Economic Development	2,821,929	37,329	(248,871)	(1,305,271)	(1,984,271)
22,218,534	Resources	22,440,234	22,496,734	22,977,234	23,694,734	24,348,034
14,894,007	Traffic & Transportation	16,022,207	14,605,707	16,409,407	15,882,907	14,262,207
249,700	Governance, Audit & Standards Committee	324,400	88,600	92,100	97,300	103,700
(210,295)	Licensing Committee	(218,995)	(215,595)	(222,895)	(230,095)	(235,395)
168,562,865	Portfolio Expenditure	171,520,065	165,942,865	174,083,465	177,625,765	178,755,565
	Other Expenditure					
0	Precepts	0	0	37,300	38,400	39,400
(125,000)	Portchester Crematorium - Share of Dividend	(130,000)	(135,000)	(130,000)	(130,000)	(130,000)
6,672,000	Pension Costs	6,672,000	7,172,000	7,672,000	8,224,800	8,517,900
6,673,600	Contingency Provision	4,252,200	6,689,000	4,451,000	4,301,000	4,301,000
1,565,500	Revenue Contributions to Capital Reserve	7,208,500	8,000,000	3,600,000	2,500,000	0
(438,300)	Transfer to / (from) Other Reserves	(2,029,700)	764,100	1,131,300	1,592,600	592,600
(27,242,965)	Asset Management Revenue Account	(31,630,765)	(28,702,765)	(29,161,265)	(28,007,265)	(26,362,865)
2,325,000	Other Expenditure	1,135,000	1,912,800	1,912,800	2,662,800	3,412,800
(10,570,165)	Other Expenditure	(14,522,765)	(4,299,865)	(10,486,865)	(8,817,665)	(9,629,165)
157,992,700	TOTAL NET EXPENDITURE	156,997,300	161,643,000	163,596,600	168,808,100	169,126,400
	FINANCED BY:					
(1,426,053)	Contribution (to) from Balances and Reserves	(2,815,954)	(583,761)	3,895,828	8,905,653	11,385,365
30,363,225	Revenue Support Grant	30,363,225	22,313,120	16,956,584	11,482,606	7,033,788
45,620,478	Business Rates Retention	45,659,100	49,632,941	49,678,070	51,445,130	52,522,670
18,433,805	Other General Grants	18,789,684	18,033,040	18,760,829	21,191,007	20,892,580
65,001,245	Council Tax	65,001,245	72,247,660	74,305,289	75,783,704	77,291,997
157,992,700		156,997,300	161,643,000	163,596,600	168,808,100	169,126,400
	BALANCES & RESERVES					
16,395,712	Balance brought forward at 1 April	16,411,215	19,227,169	19,810,930	15,915,102	7,009,449
1,426,053	Deduct (Deficit) / Add Surplus for Year	2,815,954	583,761	(3,895,828)	(8,905,653)	(11,385,365)
17,821,765	Balance carried forward at 31 March	19,227,169	19,810,930	15,915,102	7,009,449	(4,375,916)
7,000,000	Minimum Level of Balances	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000
(1,426,053)	Underlying Budget Deficit / (Surplus)	(2,815,954)	(583,761)	3,895,828	8,905,653	11,385,365