

Agenda item:

Decision maker: Cabinet
City Council

Subject: Portsmouth City Council Revenue Budget 2015/16 -
Savings Proposals

Date of decision: 4th December 2014 (Cabinet)
9th December 2014 (City Council)

Report by: Head of Finance & Section 151 Officer

Wards affected: All

Key decision: Yes

Budget & policy framework decision: Yes

1. Executive Summary

- 1.1 The financial picture over the next 3 years and expectations further into the future is one of increasing demand for services, particularly in the essential care services, at the same time as experiencing unprecedented reductions in funding. This simultaneous double impact of increased costs and a funding squeeze requires the Council to make £37m of savings over the next 3 years. Despite this challenge, the proposals within this report seek to follow the Medium Term Financial Strategy approved last year which aims to deliver the necessary savings whilst continuing the drive towards the regeneration of the City and protecting the most important and valued Services.
- 1.2 Economic conditions are now expected to be steady and sustained but with the pace of growth slowing next year. Public sector debt will remain high (currently standing at £1.45 trillion or 79.5% of Gross Domestic Product¹) and is likely to continue to rise through to 2020. The Prime Minister has stated that growth alone will not fix the budget deficit and therefore unless there is a change in policy stance, public sector spending cuts will continue through to 2020 at least.
- 1.3 Over the last 3 years, the City Council has experienced Government funding reductions of £44m (representing 30%). When combined with the need to meet unavoidable cost pressures, the City Council has had to make savings of £59m through efficiencies and service reductions. In context, £59m represents 22% of the Council's controllable budget.

¹ Gross Domestic Product is a national measure of economic output

- 1.4 The Council's essential care services (Adults and Children's Social Care) are facing severe demographic pressures and represent 49% of the City Council's controllable budget. Those pressures are currently most apparent within Children's Safeguarding which is currently forecasting a £2.9m overspend. Given the level of savings protection that has been provided to the essential care services in previous years, coupled with the scale of the future savings required, the Council is faced with a position where it is inevitable that all Council services will now need to make significant savings.
- 1.5 Against the backdrop of having made savings of £59m, the Council now needs to make further savings of £37m over the next 3 years. The Council's Medium Term Financial Strategy to achieve this as follows:

OVERALL AIM

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

STRAND 1

Reduce the City's dependency on Central Government Grant

STRAND 2

Reduce the extent to which the population needs Council Services

STRAND 3

Increase the efficiency & effectiveness of the Council's activity

STRAND 4

Withdraw or offer minimal provision of low impact Services

1.6 The proposals contained within this report, designed to follow the financial strategy and respond to the budget consultation, include the following:

- To prepare the Council's Budget for 2015/16, to be approved in February 2015, on the basis of a Council Tax freeze
- A corresponding suite of savings that accommodate a Council Tax freeze amounting to £13.1m of the £37.6m required over the next 3 years (2015/16 to 2017/18)
- Noting the response from the Budget Consultation (which generally suggests that services to the vulnerable should receive some measure of protection) and considering that Children's Safeguarding is currently forecasting a £2.9m overspend, to not seek any new savings from Children's Safeguarding to contribute towards the £13.1m savings for 2015/16.
- Savings decisions at this early stage to provide greater opportunity for any necessary consultation, notice and other lead-in times to take place and therefore avoid a greater number or deeper savings associated with any delay
- Use of the £5.2m improvement in the Council's financial position to provide a significant boost to the Council's aims in the Medium Term Financial Strategy; by supplementing the capital resources available by £3.0m to help bridge the funding gap between need and resources and investing the remaining £2.2m into the Medium Term Resources Strategy (MTRS) Reserve to provide funding for future redundancy costs and spend to save schemes
- Create a £500,000 Voluntary Sector Capacity & Transition Fund to enable the voluntary sector to reconfigure their service or enhance their capacity / infrastructure in order to support / provide council services in the future
- Create a £500,000 Business Intervention Fund to deliver significant change and cost reduction across services, including Health and Adult Social Care in particular, at both scale and pace.

1.7 The proposals within this report are a necessary pre-cursor to the Annual Budget and Council Tax Setting meeting of the 10th February 2015 where the Council will be requested to formally approve the Budget for 2015/16 and the associated Council Tax for the year. Should the savings proposals contained within this report be approved, they will form the basis of the Budget 2015/16 presented to Council. That report will also include a comprehensive revision of the Council's future forecasts and set the consequent future savings requirements for the period 2016/17 to 2018/19.

1.8 Finally, the proposals within this report will maintain the Council's financial health and resilience and therefore its ability to respond in a measured and

proportionate way to any "financial shocks" by having adequate reserves and contingencies available for a Council of this size and risk profile.

2 Purpose of Report

- 2.1 The report describes the challenging financial climate facing the City Council for the three years 2015/16 to 2017/18 and the likely implications for Council services to businesses and residents. It describes, in overall terms, the Medium Term Financial Strategy that the Council is following in order to achieve 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 and protecting the most important and valued services

- 2.2 The report sets out the need to find £37m of savings over the next three years with a minimum of £12.5m (or £13.1m assuming a Council Tax freeze) for 2015/16. It recommends the level of savings to be made across Portfolio's and other activities in 2015/16 consistent with both the outcomes of the recent budget consultation exercise and the overall financial strategy. The report then proceeds to describe the likely savings and implications associated with the overall Portfolio savings levels proposed.
- 2.3 Associated with the delivery of future savings and in accordance with the Financial Strategy, are two proposals to set up specific funds of £0.5m each to be funded from the MTRS Reserve which will work both individually and in synergy with each other in order to deliver targeted efficiency savings at scale and pace.
- 2.4 Finally, the report stresses the important contribution that the MTRS Reserve and the Capital Programme can make to the Council's overall Medium Term Financial Strategy. In that context, a recommendation is made to supplement both from the improvement in the Council's overall financial position that has arisen from the financial results of the previous year.
- 2.5 This report is being brought at this time to provide greater opportunity for any necessary consultation, notice and other lead-in times to take place prior to implementation in order that full year savings can be made. Should approval of

the savings be considered at a later date, a greater number or deeper savings will be required in order to compensate for any delay in implementation.

2.6 In particular, this report explains:

- (a) In broad terms the challenge for the City in the current economic climate
- (b) The general financial constraints on the City Council both currently and in future years
- (c) Key assumptions built into the City Council's forecasts for 2015/16 to 2017/18 which give rise to a forecast £37m deficit over the period and which include:
 - i. Revenue Support Grant
 - ii. Other Non-ring fenced grants
 - iii. Business Rates
 - iv. Council Tax yield
 - v. Inflation and interest rates
 - vi. Trading operations such as the International Port and MMD
- (d) The Medium Term Financial Strategy aimed at meeting the Council's core aim whilst addressing the £37m deficit
- (e) Within the context of the Medium Term Financial Strategy, how the improvement in the Council's overall financial position resulting from the underspend in 2013/14 is recommended to be used
- (f) The key themes arising from the budget consultation that took place over the September / October period to assist Members in their consideration over the level and nature of savings to be made across Portfolios
- (g) In the context of the Medium Term Financial Strategy and the Budget Consultation, the proposed savings amount for each Portfolio / Committee to be made in 2015/16
- (h) The detailed indicative savings 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 need to agree the Portfolio / Committee savings amounts at this early stage in order that any necessary consultation, notice periods or other lead times can commence in order to avoid greater and deeper savings arising from any delay
- (j) The spend to save investment required in order to deliver future savings in accordance with the Councils Medium Term Financial Strategy

- (k) How the proposals contained within this report will be fed into the formal Budget and Council Tax 2015/16 proposals to be considered by the City Council on 10th February 2015

3 Recommendations

3.1 That the following be approved:

- (a) That the Council's Budget for 2015/16 be prepared on the basis of a Council Tax freeze
- (b) The savings proposals for each Portfolio amounting, in total, to £13.1m for 2015/16, £13.1m for 2016/17 and £13.1m in 2017/18 as set out in Appendix A to enable appropriate consultation and notice periods to be given to affected parties
- (c) Given the capital investment needs of the City, the funding gap between need and available resources and the importance of the Capital programme in delivering the Medium Term Financial Strategy, that £3.0m of the overall £5.2m financial improvement in the City Council's financial position be transferred to the Revenue Reserve for Capital in order to supplement the capital resources available for new Capital Investment (see paragraphs 8.11 and 8.12)
- (d) Given the current uncommitted balance on the MTRS Reserve of £2.1m is very modest in the context of the £37m of savings that the Council is required to make over the next 3 years and that it is also the Council's primary vehicle for providing funding for redundancies and Spend to Save initiatives, that the remaining £2.2m of the overall £5.2m financial improvement in the City Council's financial position be transferred to the Medium Term Resource Strategy Reserve (see paragraph 8.14)
- (e) That £500,000 be released from the MTRS Reserve to create a Voluntary Sector Capacity & Transition Fund to enable the voluntary sector to reconfigure their service or enhance their capacity / infrastructure in order to support / provide council services as set out in paragraph 10.16
- (f) In the event that the Voluntary Sector Capacity & Transition Fund is created, that the use of those funds be released on the same spend to save criteria adopted for other MTRS funds and that the allocation of these funds be delegated to the Head of Financial Services & S151 Officer in consultation with the Leader of the Council
- (g) To undertake the necessary business intervention work described in paragraphs 10.17 and 10.18 at the necessary scale and pace to deliver significant change and cost reduction, it is recommended that a Business Intervention Fund be created in the sum of £500,000 to be used flexibly across years and funded from the MTRS Reserve

- (h) In the event that the Business Intervention Fund is created, that the use of those funds be used both, independently of, and in synergy with, the Voluntary Sector Capacity & Transition Fund and that the allocation of these funds be delegated to the Head of Financial Services & S151 Officer in consultation with the Leader of the Council
- (i) That the funds released under recommendations (e) and (g) be used flexibly across the 2014/15 and future financial years and that the S151 Officer be given delegated authority to determine the annual allocations as necessary

3.2 That the following be noted:

- (a) The Budget Savings Requirement for 2015/16 approved by the City Council and based on a Council Tax increase of 1.95% is £12.5m; based on a Council Tax freeze, that savings requirement increases to £13.1m
- (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 3.1(b) 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 3.1(b)
- (e) That the responsibility of the City Council is to approve the overall Budget and the associated cash limits of its Portfolios and Committees; it is not the responsibility of the City Council to approve any individual savings within those Portfolios / Committees
- (f) That it is the responsibility of the individual Portfolio Holders (not 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 Head of Finance & S151 Officer, to release funds from the Portfolio Reserve in accordance with the provisions set out in paragraph 10.10

- (j) The MTRS Reserve held to fund the upfront costs associated with Spend to Save Schemes, Invest to Save Schemes and redundancies holds a very modest uncommitted balance of £3.3m² and will only be replenished from an approval to the transfer of any non-Portfolio underspends at year end into this reserve

4 Economic & Financial Context

- 4.1 The global economic downturn has had a significant effect on overall employment levels, disposable incomes and economic prosperity generally. As a consequence, public finances nationally have experienced a rise in the overall welfare bill at the same time as reduced tax revenues. Since 2008, this has led to the overall national debt position to rise from £0.53 trillion to £1.45 trillion or 79.5% of Gross Domestic Product (GDP) compared with around 40% of GDP in 2008.
- 4.2 Part of the response from Central Government has been to reduce spending (and funding) across the public sector. Over the past 4 years (since 2011/12), Central Government funding to Portsmouth City Council has reduced by over £44m (amounting to 30%). Taken together with other financial pressures that have been experienced by the City Council (mainly relating to inflation, the effects of an ageing population on Council provided care services and the increased requirements for the safeguarding of vulnerable children), the City Council has had to make overall savings over the same period of over £59m. In context, this represents some 22% of the Council's controllable spending.
- 4.3 The national economic climate has been improving over the last 2 years and is comparatively strong versus the rest of the G7 nations³. The UK economy has now reached the same level of economic output compared with the previous 2008 peak although overall pay and productivity levels remain subdued.
- 4.4 Most commentators expect there to be a steady and sustained recovery but with the pace of growth slowing next year and into future years. The lack of real growth in wages (i.e. wage growth being outpaced by inflation) and geo-political tensions are the main dangers to these forecasts.
- 4.5 Despite the improving economic conditions, public sector debt remains high but more importantly it is higher than Government plans by approximately £11bn for the current financial year. Government are committed to turning the current annual budget deficit, currently standing at approximately £97bn per annum into surplus by 2020 at which time they can start to pay down the national debt. The Prime Minister has previously stated that growth alone will not fix the budget deficit and most recently the Institute for Fiscal Studies has suggested that significant public spending cuts are still to come through the next

² Assuming the recommendations contained within this report are approved which include the transfer of £2.2m into the Reserve and the creation of a Voluntary Sector & Capacity Fund of £0.5m and a Business Intervention Fund of £0.5m which are drawn out of the Reserve

³ G7 nations are the largest 7 economies of the world

parliament. Spending cuts can therefore be expected to continue through to 2020.

- 4.6 Looking forward, the Council's current forecasts which run to 2017/18 indicate an overall savings requirement of £37m (or £37.6m if a Council tax freeze is assumed for 2015/16) over the forthcoming 3 year period. This will mean that over the period of the austerity programme, funding from Government will have reduced by some 49%.

5 Local Government Funding Outlook - 2015/16 and Beyond

Local Government Finance Settlement 2015/16 & Beyond

- 5.1 The Local Government Finance Settlement is the term used to describe the main non-ring fenced Revenue and Capital grant funding allocations from Government.
- 5.2 The Local Government Finance Settlement for 2015/16 which accounts for approximately 55% of controllable spending is expected to be announced in either the second or third week of December following the Autumn Statement in the first week of December. As part of the Local Government Finance Settlement for 2014/15, Government provided Local Authorities with an illustrative settlement for 2015/16. That illustrative settlement does not include all elements of funding but does cover the main Revenue Support Grant plus their estimate of the Business Rates to be retained by the Council (in aggregate totalling £118m in 2014/15). The indicative settlement for 2015/16 amounts to £102m representing a £16m (or 13%) reduction in cash terms. At this stage it is anticipated that the illustrative settlement will remain broadly intact.
- 5.3 For 2016/17 and 2017/18, the Local Government Finance Settlement is forecast to reduce by a further £19m over the period.

Council Tax 2015/16 & Beyond

- 5.4 Portsmouth City Council is a low taxing Authority. The Council currently receives approximately £6m per annum less in Council Tax than the average Unitary Authority within its statistical neighbour group.
- 5.5 The original assumptions for 2015/16, 2016/17 and 2017/18 are for a 1.95% increase in Council Tax each year which would generate a total of £3.6m in income over the 3 year period.
- 5.6 As part of the Local Government Finance Settlement for 2014/15, it was announced that a Council Tax Freeze Grant will be made available to those Local Authorities that do not increase their Council Tax in 2014/15 or 2015/16. The Council Tax Freeze Grant will amount to the equivalent of a 1% increase in Council Tax. Alternatively, Councils have the option, without a referendum, to increase Council Tax up to a threshold which is yet to be announced but is

expected to be around 2%. Any increase beyond the threshold can only be implemented following a "Yes" vote in a local referendum.

- 5.7 The difference in income to the Council between a Council Tax freeze and a 2% increase in Council tax amounts to £0.6m. The increase in the amount of Council Tax payable by the average council taxpayer⁴ in Portsmouth with a 2% increase is £18.22 per year (or 35 pence per week).
- 5.8 Should the Council approve a Council Tax freeze for 2015/16, Council Tax income and the related grant will reduce from the assumed £3.6m to £3.0m causing the savings requirement to increase by a corresponding £0.6m over the period.

Business Rates 2015/16 & Beyond

- 5.9 The previous grant funding system from Government changed in 2013/14. Funding from Government was reduced and replaced with the ability to retain 49% of all Business Rates collected. Business Rates income is increased by inflation each year and is also influenced by the extent to which Business Rates income grows or contracts and the level of successful appeals against rates valuations. Whilst this presents an opportunity for Local Authorities with strong business growth potential, it also presents risks for Authorities whose business rates base is in decline or subject to "shocks" such as closure (or relocation) of major businesses in an area.
- 5.10 The new system is complex but some of the key features are highlighted below:
- For business the National Non Domestic Rates (NNDR) system will remain the same. Local Authorities will not have control over how the level of tax is determined for ratepayers
 - If the business rate taxbase grows the City Council will be rewarded with increased funding, but if it declines Council funding will reduce
 - It is estimated that a 1% change in Business Rates will result in circa £400,000 change in funding
 - Local Authorities that have very significant business rate growth will pay a levy
 - A safety net payment will come into effect if an Authority's income falls by more than 7.5% of the original baseline funding level.

- 5.11 Current estimates of the City Council's share (i.e.49%) of total Business Rates collected for 2014/15 is £41.8m. For the period 2015/16 to 2017/18, the Council's forecasts assume no real growth but with inflationary uplifts of 2.8%, 3.3% and 3.6%, respectively. These inflationary uplifts are now considered to

⁴ The median Council Taxpayer lives in a Band B property

be optimistic and changes to the estimated Business Rate income for the current and future years will be reflected in the comprehensive revision to the Council's overall financial forecasts in February 2015. Any consequent implications will be reflected in the Savings Requirements for future years.

- 5.12 Economic growth and job creation in the city are essential and the City Council has a key role in regenerating the city, working with partners to grow the local and sub-regional economy. As described later in this report, growth and job creation has the dual impact of increasing the prosperity of residents generally which leads to a reduction in demand for Council services and increases Business Rates, of which 49% is retained by the Council. This allows the Council to both reduce its costs as well as generate additional income.
- 5.13 Supporting growth and job creation will be a particular challenge to the City Council in the coming Budget. Savings proposals will need to consider how best to assist the economic recovery at a time when the Council's own funding is being cut and demand for essential services is likely to increase (see demographic changes at Section 6 below). For the reasons outlined, supporting growth and job creation remains a central theme of the Council's Medium Term Financial Strategy.
- 5.14 In summary, for 2015/16, the Council is anticipating a total reduction in revenue funding from Government of £16m whilst a Council Tax increase of 1.95% will generate £1.2m of income. Should the Council opt for a Council Tax freeze, that will lever in a grant of just £0.6m.
- 5.15 Beyond 2015/16, the level of funding for the Council is more uncertain and will depend on the outcome of the General election in May 2015. What is known is that funding from Government will continue to decrease, most likely at a rate much higher than any compensating increases in Council Tax and Business Rates.

6 City Council Expenditure Outlook - 2015/16 & beyond

Demographic Changes

- 6.1 Demographic changes are likely to generate the largest cost pressures facing the City Council going forward. Nationally, it has been said that the ageing population will cause at least as much pressure on budgets as the austerity programme currently in place. In Portsmouth the Office for National Statistics have forecast that the number of people aged 80+ in Portsmouth will increase by 15% between 2011 and 2021. Equally the population aged 0-19 is also forecast to increase by 2% but with a much higher increase for those aged 5-14. As well as pressure caused by an ageing population there is also pressure caused by a "living longer" population. More people are coming through the transition into adult care from children's care with profound physical or learning disabilities who previously would not have survived their childhoods due to the

nature of their illnesses and disabilities. These cases tend to be at the higher end of the care spectrum and can cost significant amounts of money for each individual. Clearly, with advances in medical care this will go on rising. The outlook therefore for the Council's essential care services is one of significantly increasing costs.

Government Policy Changes / Expectations 2015/16 and Beyond

- 6.2 Reforms to the welfare system are likely to result in additional demands on the Council's housing and essential care services.
- 6.3 Equally, such changes could also reduce the income which the Council can charge for providing those services. The cumulative impact of the reforms where separate benefits convert to the Universal Credit coupled with the change from Disability Living Allowance to Personal Independence Payments is likely to reduce social care clients' disposable income and therefore the amount they can afford to pay for their care.
- 6.4 The Care Act 2014 attained royal assent during 2014. The new care duties and responsibilities for local authorities under the Act start in April 2015. The Government has stated that it will fund these new Care Act requirements in full and this remains the Council's central assumption although it is a risk. The additional Care Act funding to the Council 2015/16 has been provisionally identified (circa £1.5 million) whilst future years allocations are still being calculated by the Government. The new funding for 2015/16 comes via two routes; some received directly to the City Council via "new burdens" funding (circa £1m) whilst the other amount (circa £0.5m) comes via the NHS and is contained within the funding for the local Better Care Fund 2015/16 plan.
- 6.5 In April 2016 the Care Act introduces a care cap which will limit the amount that a client pays towards their care. The thresholds at which clients become eligible for financial support from the Local Authority also change at that point. As previously stated, the Government has confirmed that these Care Act changes will be fully funded but no amounts have yet been announced for 2016/17 or onwards. Again, the Council's central assumption is that any additional costs will be funded in full by Central Government.
- 6.6 The Children and Families Act 2014 placed a number of new duties on local authorities from 1st September 2014, including the requirement to re-assess the needs of children and young people who currently have a statement of special educational needs or learning disability assessment. The purpose of this was to 'convert' their existing statement or Moving-on plan into an Education, Health and Care Plan. In Portsmouth this will involve approximately 1,200 children and young people and a conversion process which will last around 3 years.

6.7 In addition, the Children's and Families Act reforms combined with the National Fair Funding Reforms are placing additional responsibilities on the Local Authority to support young people up to the age of 25. Examples of the additional responsibilities include:

- a duty to jointly commission services across Education, Health & Social Care to meet the needs of children and young people with special educational needs and disabilities
- a duty to implement an integrated assessment process;
- a duty to deliver personal budgets and where appropriate, direct payments to families with Education, Health & Care Plans
- a duty to extend the statutory protections currently available for pupils with statements of special educational needs from 0 to 25 years
- a duty to procure Further Education placements, placing pupils in educational establishments, negotiating support packages and providing the required funding support.

6.8 The combined effect of these additional responsibilities is estimated to cost in excess of £0.5m per annum to the Council. To offset this additional burden, the Government allocated an implementation grant to the Council of £188,602 in 2014/15 to support the Children's and Families Act reforms. At this stage, Central Government have yet to confirm whether any of the implementation grant will continue in the future and this remains a financial risk to the Council.

6.9 The additional pupil and young person support is being met from the Dedicated Schools Grant (DSG). The financial costs funded from the DSG have grown significantly during 2014/15, but at this stage it is not possible to quantify the final burden flowing into future years.

Inflation

6.10 In overall terms, the cost of inflation has been relatively modest at £10m for the past 4 year period. This has been held down largely due to the pay freeze that has been experienced by the Council for 3 of the last 4 years, with a modest rise of 1% in 2014/15. For the next 3 year period, it is expected that inflationary costs will rise to £14m as pay increases return and the Consumer Price Index (CPI) expected to operate within the 2.4% - 3.7% range.

Interest Rates

6.11 Interest rates for investments are expected to remain at current levels until the first or second quarter of next year and then begin to rise steadily thereafter. This will have a modest but positive influence on the Council's overall financial

position. At present a 0.25% increase in investment rates in 2015/16 is anticipated, which might yield an additional £0.4m.

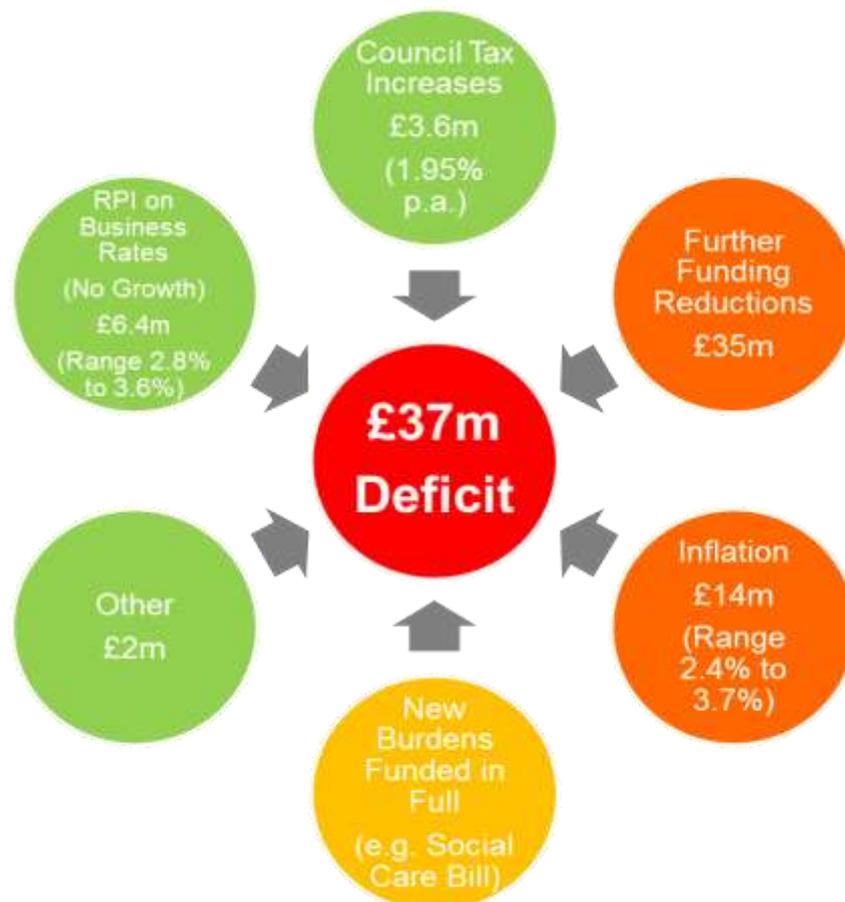
6.12 Borrowing rates are quite volatile at present due to geo-political and sovereign debt crisis developments but the general expectation is for an eventual trend of gently rising gilt yields and therefore borrowing rates. The Council is not expecting to undertake any additional borrowing over the next 12 months but may take a modest amount within the 2 year period which follows.

7 Overall Financial Forecast - 2015/16 to 2017/18

Overall 3 Year Financial Forecast

7.1 In overall terms, taking account of both spending pressures and funding reductions over the next three financial years, it is forecast that the Council faces an overall deficit of £37m. This means that by 2017/18, the Council's net expenditure will need to be £37m less that it is at present and that savings of that sum will need to be made either through increased income or reduced costs.

7.2 An illustration of the factors causing the forecast £37m deficit as described in Sections 5 & 6 is shown below:



Savings Requirement for 2015/16 & Forecast Savings Requirements for 2016/17 and 2017/18

- 7.3 The last comprehensive review of the City Council's 3 Year Financial Forecast was reported in the Annual Budget Report in February 2014. This set out the City Council's underlying budget deficit and consequent forecast Budget Savings Requirement for the next 3 years as follows:

	Underlying Budget Deficit	Annual Budget Savings Requirement	Total Savings Requirement
	£m	£m	£m
2015/16	15.1	12.5	12.5
2016/17	26.6	12.5	25.0
2017/18	37.0	12.0	37.0

- 7.4 On the basis of the overall £37m deficit and the preference to be able to manage those savings smoothly over that period, the City Council resolved in February 2014 that a minimum savings requirement of £12.5m would be implemented for 2015/16. That minimum savings requirement was predicated on a Council Tax increase of 1.95% (which generates £1.2m of additional Council Tax income). The proposals set out within this report are based on the Administration's intention to implement a Council Tax freeze for 2015/16 which necessarily means that the savings requirement for 2015/16 increases by £0.6m to compensate for the lost income⁵.
- 7.5 Whilst the Council is aware of a number of potential changes to the assumptions underpinning these forecasts, there will remain significant uncertainty until the announcement of the Local Government Finance Settlement in mid to late December. Coupled also with necessary revisions to the estimates of Council Tax and Business Rates income which will not take place until early January 2015, this means that a comprehensive revision at this stage would be premature and subject to significant uncertainty.
- 7.6 The Head of Finance & S151 Officer advises that whilst it is likely that the overall financial forecasts will change, the savings requirement for 2015/16 at £12.5m (with a Council Tax increase of 1.95%) or £13.1m (with a Council Tax freeze) remains robust and prudent. Given what is known, or reasonably expected, regarding future funding reductions and given future uncertainties also, a savings requirement of less than these sums would not be prudent.

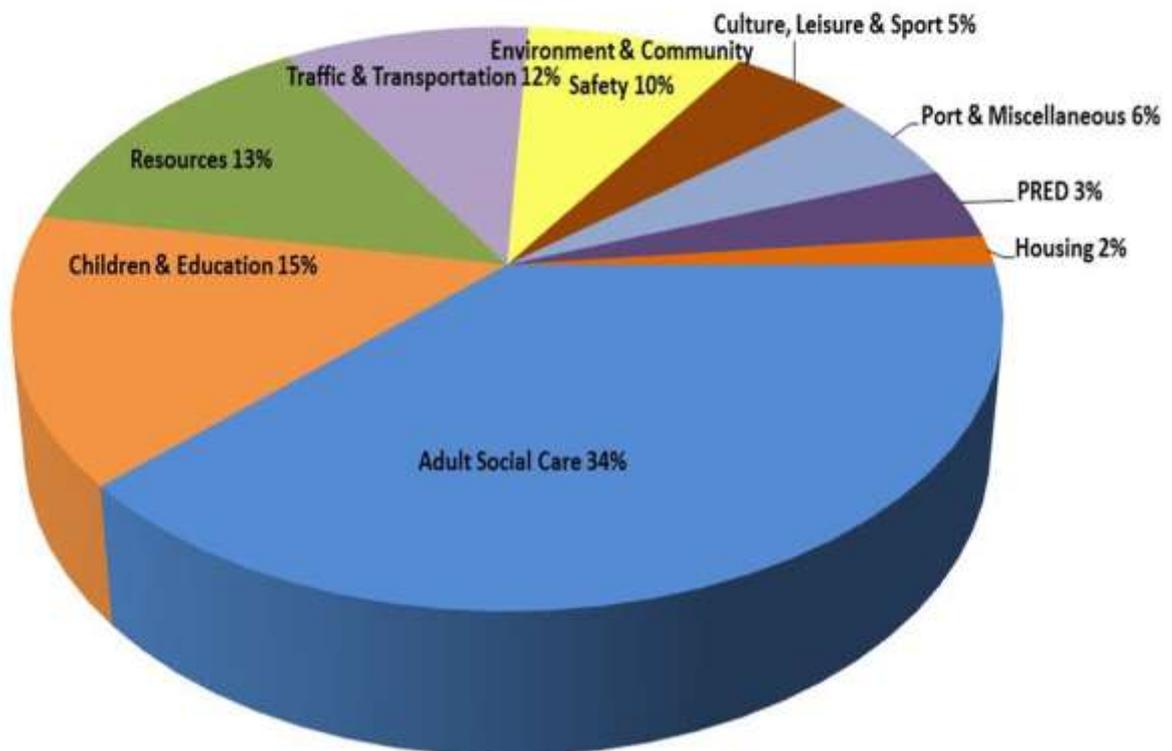
⁵ The loss of income relates to a reduction in Council Tax of £1.2m offset by a Council Tax Freeze Grant of £0.6m

8. Medium Term Financial Strategy - 2015/16 & beyond

Financial Strategy 2015/16 & Beyond

- 8.1 In overall terms, the financial picture over the next 3 years and beyond is one of increasing costs and demand for services, particularly in essential care services, at the same time as unprecedented reductions in funding. Taking all of the cost and funding implications into account, it is estimated that the Council will need to make £37m of savings over the next 3 years.
- 8.2 Considering also that those essential care services consume 49% of the Council's controllable budget, the Council is faced with a position where it not only has to meet those costs, or at the very least manage the demand for those services, but simultaneously find £37m savings across all areas. This is illustrated below

2014/15 Gross Controllable Expenditure of £210.2M



- 8.3 It is also of significance that a further 22% of the Council's controllable spend is consumed by the Traffic & Transportation and Environment & Community Safety Portfolios where a large proportion of their activities is tied into long-term contracts where savings potential is therefore more limited.

8.4 The Council's Medium Term Financial Strategy that has been developed to respond to these very challenging circumstances 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 and protecting the most important and valued services

STRAND 1

Reduce the City's dependency on Central Government Grant:

- Entrepreneurial activities
- Income Generation
- Capital investment for jobs and business growth (increased Business Rates)

STRAND 2

Reduce the extent to which the population needs Council Services

- Re-direction of resources towards preventative services (avoid greater costs downstream)
- Design fees & charges policies to distinguish between want and need
- Capital investment towards jobs and skills to raise prosperity

STRAND 3

Increase the efficiency & effectiveness of the Council's activity:

- Contract reviews
- Rationalisation of operational buildings
- Support to the Voluntary Sector
- Targeted efficiency reviews in "resource hungry" services
- Capital investment for on-going savings or cost avoidance

STRAND 4

Withdraw or offer minimal provision of low impact Services:

- Strong focus on needs, priorities on outcomes
- Use the insights of Councillors to inform priorities
- Use the results of public consultation to inform priorities

- 8.5 The Strategy has a strong regeneration focus with a presumption that Capital investment will be targeted towards economic growth. This is to improve the prosperity of the City through employment as an objective in itself but also because this will reduce the demand for Council services generally. The strategy is consistent with the 'Shaping the future of Portsmouth' (adopted by the City Council in 2010) which articulates the vision for the City to become a globally competitive economy supporting local economic growth, innovation and enterprise. This strategy has been adopted by business leaders across the City and is in the process of being delivered in partnership with the Shaping Portsmouth Partnership. Overall, the implementation of this strategy could see an additional 11,500 new jobs created over the next 10 years. The aim of the strategy is to ensure local people are able to get those jobs and benefit from the regeneration programme.

Financial Position - Year ending March 2014

- 8.6 In February 2014, the Council revised its budget for 2013/14 and set its budget for the current year. At that time, it was anticipated that the Council would need to draw upon £5.7m from General Reserves in order to balance its spending for the year with its income for the year. On finalising the City Council's accounts for the year 2013/14, the Council only needed to draw down £0.2m from General Reserves.
- 8.7 Whilst there was a reduction in the planned use of General Reserves, it is important to take into account the position of the Council's Collection Fund⁶ which has financial implications for the Council in future years. The financial position on the Collection Fund as at the end of March 2014 is anticipated to be in deficit by £0.3m over the period to 2017/18.
- 8.8 In overall terms the Council's expenditure exceeded its income in 2013/14, but the Council had already planned for an excess of spend over income of £5.5m and a corresponding reduction in its General Reserves. All of the Council's future forecasts were based on that presumption. Taking account of the reduction in planned use of General Reserves (£5.5m) but offset by an unplanned deficit on the Collection fund (£0.3m), the Council's financial position has improved by £5.2m.
- 8.9 The main causes of the "underspend" relate to the non-use of the Council's general contingencies and the award of a "safety net" payment from Government amounting to £3.0m. The "safety net" payment arose from the election to account for all anticipated business rate appeals in a single year as opposed to taking the option to spread those losses over a 5 year period. This

⁶ The Collection Fund is the account where all Council Tax income and Business Rate income is collected and then paid out to the Council and other parties such as the Hampshire Police & Crime Commissioner, Hampshire Fire & Rescue Authority and the Government. This account must be operated to break-even and therefore any surpluses and deficits need to be carried forward and addressed in the following financial year.

decision has enabled the Council to receive £3m which, in the alternative option, would not have been available.

8.10 It should be noted that under the new financial framework which provides greater financial autonomy to Portfolios and Committees, any underspending arising against their budget are retained by them. This was deliberately designed in order to create the financial conditions that support responsible spending and forward financial planning. The implication of this is that the opportunity for future underspendings to accrue and be available corporately is much reduced. It is vitally important therefore, that the use of any corporate underspend is used wisely and in accordance with the Council's Medium Term Financial Strategy aimed at meeting the future financial challenges of the Council.

8.11 The Medium Term Financial Strategy stresses the important contribution that the Capital Programme can make to the Council's overall aims. This is particularly relevant to regeneration schemes, the effect that has on overall prosperity and the consequent reduced need for Council Services. Furthermore, re-generation creates the opportunity for additional business rates to be generated and retained by the Council. The Capital Programme can also be a vehicle for Invest to Save schemes enabling the Council to reduce its own costs in the future.

8.12 Aside from the positive financial effect that the Capital Programme can have on the Council's cost and income base through regeneration and invest to save schemes, the Council also needs to provide for continued investment into essential Council Services. The most pressing capital investment needs of this nature over the medium term are as follows:

- Deficiency in school places which will necessarily mean that school extensions and new classrooms will be required
- Priority condition repairs and maintenance for Schools
- Priority maintenance of all other operational buildings
- Flood defence and flood risk works
- Road transport schemes
- Home adaptations for vulnerable residents

The aggregate capital investment requirement for all of the above, if fully accommodated, would exceed £40m alone. This excludes any desirable regeneration or Invest to Save initiatives. With Capital resources available provisionally estimated at circa £20m, there is an enormous gap between need and funding.

8.13 Given the capital investment needs of the City, the funding gap between need and available resources and the importance of the Capital programme in delivering the Medium Term Financial Strategy, it is recommended that £3.0m of the overall £5.2m financial improvement in the City Council's financial position be transferred to the Revenue Reserve for Capital in order to supplement the capital resources available for new Capital Investment.

- 8.14 The MTRS Reserve is a fundamental component of the Council's financial framework and is designed to provide funding for future redundancies, Spend to Save and Invest to Save initiatives. The current uncommitted balance on the MTRS Reserve amounts to £2.1m. This is considered to be very modest in the context of the £37m of savings that the Council is required to make over the next 3 years. As the Council's primary vehicle for providing funding for Spend to Save initiatives, it is recommended that the remaining £2.2m of the overall £5.2m financial improvement in the City Council's financial position be transferred to the Medium Term Resource Strategy Reserve.
- 8.15 The proposals for the use of the £5.2m improvement in the Council's financial position seek to provide a significant boost to the Council's aims in the Medium Term Financial Strategy.

9 Budget Consultation 2015/16

9.1 During September and October of this year, the Council undertook a Budget consultation to help inform how to make £37m of savings over the next 3 years. The consultation was city wide and took the form of a questionnaire which was also supplemented by two public meetings with residents and one public meeting with the business community.

9.2 The final response rate from the consultation was as follows:

Residents	1,329
Staff	929
Citizen's Panel	202
Total	2,460

9.3 The response rates are distributed though-out the city and provide a varied set of responses; more economically challenged areas are marginally less represented in the Citizen's Panel responses.

9.4 Given the response volume, the results can be considered to be statistically robust such that there is 95% confidence that the results have a margin of error of plus or minus 1.96%.

9.5 In terms of Resident responses only and where there is broad correlation with the responses from the Citizen's panel, the following is a summary of the responses received:

- 63% would like the Council to either encourage or provide more people with direct payments for their social care needs
- 71% of residents would like to keep Day Centres for Adults with Learning Disabilities

- Over 50% of residents suggested that Foot Care services should be reduced or cut with a further 29% suggesting that it should be charged for
- 42% believe that free swimming should be either reduced or cut with a further 33% suggesting that it should be charged for
- 54% of residents expressed a preference for retaining services for young people with a further 10% suggesting they would be willing to pay additional Council Tax to retain it
- 51% of residents suggested that grants to Charitable Organisations should either be reduced or cut
- 74% believe bulky waste collections should attract a charge, with 17% saying it should remain as it is
- For Residents Parking schemes, 35% believe that current restrictions should be removed, a further 47% believe there should be a charge, only 17% believe it should remain unchanged
- Increasing charges for allotments is popular with 52% of respondents although 48% believe charges for a first allotment should remain the same. When asked about charges for additional allotments 94% believe there should be an increase in charge and only 5% think they should remain the same.
- 34% of residents would support a Council Tax increase of 1% with 29% of residents supporting a council tax increase of 2%. 12% would consider a 4% increase. Only 17% indicated that they would not want any increase
- Reducing or cutting Council Tax Support (formerly Council Tax Benefit) is more popular with 54% of respondents expressing this view compared with 42% who think it should remain unchanged.
- The majority of residents believe we should be building more beach huts, licensing more food outlets and trailers, as well as organising more paying events
- If forced to make a decision to cut three services, 54% of residents agreed that their first choice would be to cut the resident parking scheme, the next most popular first choice is the Substance misuse service
- Second choice to cut was subsidised Bus Services with 22%, followed by Council Tax support and School Nursing both with 17%

- When residents were asked to indicate the areas they believed should be protected, they indicated supporting vulnerable adults and children to be the most important with 39% recording this as their top ranking first choice. Developing the city and creating jobs and opportunities was the top ranking second choice (34%) with the top third choice being providing quality education (24%) and keeping our city clean and safe (24%).

9.6 The full results of the Budget Consultation can be found at: <https://www.portsmouth.gov.uk/ext/the-council/transparency/portsmouth-city-council-budget-consultation.aspx>

9.7 These results have been considered by the Administration in formulating their budget savings proposals described in Section 10 below.

10 Budget Proposals for 2015/16 to 2017/18

Budget Savings Proposals 2015/16

10.1 The Administration's budget savings proposals are centred around the Medium Term Financial Strategy previously described in Section 8 and have been prepared paying due regard to the responses from the Budget Consultation set out in Section 9. The proposed savings amounts to be made by each Portfolio and which are recommended for approval are attached at Appendix A.

10.2 Noting the response from the Budget Consultation which generally suggests that services to the vulnerable should receive some measure of protection and considering that Children's Safeguarding is currently forecasting a £2.9m overspend against its current budget, the Administration's savings proposals do not seek any new savings from Children's Safeguarding to contribute towards the £13.1m savings for 2015/16. There remains a requirement for Children's Safeguarding to operate within the budget parameters that have been previously approved by the City Council, and the Service will need to make savings in order to remedy its underlying budget deficit.

10.3 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 B 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 savings to be made by each Portfolio / Committee.

10.4 To mitigate against the uncertainty presented by the Local Government Finance Settlement and potential changes to both Council tax income and

Business Rate income as well as the general need to find £37m for the period 2015/16 to 2017/18, it would be prudent and financially responsible for the Council to seek to implement its 2015/16 savings as early as possible. From the perspective of service delivery, giving partners and residents significant advance notice of the changes to come into effect from next April will assist them to plan for change accordingly.

- 10.5 A crucial part of a prudent financial strategy is to maintain strong financial resilience. That means maintaining adequate levels of reserves to be able to respond to "financial shocks" or having reserves available to help implement savings in a planned and managed way. The early (or timely) implementation of savings proposals ensures that those reserves remain intact and are available for such purposes.
- 10.6 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 Appendix A be approved, Managers will commence any consultation process or notice process necessary.
- 10.7 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 B with alternative proposal(s) amounting to the same value.

Budget Pressures Proposals 2015/16

- 10.8 In contrast to previous years, the City Council's forecast budgets for future years no longer include any general provision for Budget Pressures. This was agreed as part of the Medium Term Financial Strategy approved by the City Council in November 2013.
- 10.9 One of the aims of the Medium Term Financial Strategy was to create the conditions that would incentivise responsible spending and strong forward financial planning. As a consequence, a financial framework was implemented which provides Services with much greater financial autonomy.
- 10.10 The features of the new 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 Head of Finance & S151 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 any other development or initiative

10.11 Correspondingly, any Budget Pressures must be funded within the overall resources available to the Portfolio Holder (which includes their Portfolio Reserve). As previously mentioned, it is the decision of the Portfolio Holder in consultation with the Head of Finance & S151 Officer to make releases from the Portfolio reserve.

Proposals for Funding from the Medium Term Resource Strategy Reserve

10.12 The Medium Term Resource Strategy Reserve (MTRS Reserve) is a reserve maintained by the Council for Spend to Save, Spend to Avoid Cost and Invest to Save Schemes. It is also the reserve that funds all redundancy costs arising from Budget Savings proposals. At present the reserve has an uncommitted balance of £4.3m⁷.

10.13 In accordance with the Council's Financial Strategy to reduce costs through increased efficiency it is proposed that two funds are created amounting to £0.5m each which whilst separate have significant complementarity to better equip both the Council and the Voluntary Sector in the delivery of Council Services. These two funds are described below.

10.14 It is well recognised that the Voluntary Sector is an important part of delivering services to the community and that, where appropriate, this will become an increasingly used delivery model for Council services. In many instances, the Voluntary Sector is well placed to deliver services although it is also recognised that to do this there may need to be some investment into building their capacity or to improving their infrastructure and support. Equally, there are proposals contained within Appendix B that may require some transitional or transformational support to the Voluntary Sector.

⁷ Assumes that the recommendation to transfer £2.2m into the reserve is approved.

- 10.15 Following the full allocation of the previous Voluntary Sector Capacity & Transition Fund, it is proposed that a further fund is created and funded from the MTRS Reserve with any allocation made on the same criteria that exists for the MTRS Reserve. In broad terms, that requires that the fund can only be used for initiatives to make "one-off" allocations that will deliver financial savings to the Council and where the return, measured by "payback", is within a 4 year period.
- 10.16 It is expected that the demand on any fund will exceed the funding available and therefore it will be necessary to prioritise any bid according to the following criteria:
- Overall fit with the Council's objectives
 - Deliverability
 - Payback
 - The extent to which it could drive further transformation and capacity of the voluntary sector in delivering Council services
 - Wider economic impacts

It is recommended that to deliver such transformation at scale, a Voluntary Sector Capacity & Transition Fund in the sum of £500,000 be created to be used flexibly across years and funded from the MTRS Reserve and used as described above.

- 10.17 It is also recognised that to meet the scale of the financial challenge, the Council will need to transform many of its existing "in-house" activities, delivering differently and in partnership with other organisations. Inevitably the Council will need to look carefully at its large spending areas. Initially the Council will need to focus much of its attention on Adult Social Care which spends more than a third of the Council's controllable expenditure.
- 10.18 A review of Adult Social Care activities is already in train which includes how the Council can better integrate services with both Health and the Voluntary Sector in order to provide better and more joined up services as well as at a reduced cost. It is clear that to progress this at speed and with the required skill and knowledge, the Council will need to release officers to undertake that work as well as supplementing the Council's own knowledge and resources with that of experts externally.
- 10.19 To undertake the necessary business intervention work described above at the necessary scale and pace to deliver significant change and cost reduction, it is recommended that a Business Intervention fund be created in the sum of £500,000 to be used flexibly across years and funded from the MTRS Reserve.
- 10.20 Should the recommendations contained within this report for the transfer of £2.2m⁸ into the MTRS Reserve plus the creation of the Voluntary Sector Capacity & Transition Fund and the Business Intervention Fund be approved,

⁸ See paragraph 8.14

the remaining uncommitted balance on the MTRS Reserve will amount to £3.3m.

- 10.21 An uncommitted balance on the MTRS Reserve of £3.3m is considered to be very modest in the context of the £37m of savings that the Council is required to make over the next 3 years. As the Council's primary vehicle for providing funding for Spend to Save initiatives, it is crucial that this fund is both spent wisely and replenished at every opportunity.

Approval of the Budget 2015/16

- 10.22 At the 10th February 2015 Council meeting, a comprehensive revision of the Council's future forecasts will be presented. This will revise all of the key assumptions set out below as well as extending the forecast to cover an additional year (2018/19) in order to maintain a rolling 3 year plus current year financial forecast.

- 10.23 The Budget 2015/16 presented to the City Council for approval will be prepared on the basis of the proposals for savings, Council Tax and releases from the MTRS Reserve as set out in this report. It will also include the outcome of the following:

- The Local Government Finance Settlement for 2015/16
- The final estimate of the Council Tax yield (based on the determination of the Council Taxbase to be approved by the Cabinet in January 2015)
- The final estimate of the Business Rate yield
- Any necessary inflationary uplifts
- Final estimates of all items outside of cash limits including capital charges, support service charges, insurance, pension costs, contingency, borrowing costs, investment income, levies and precepts
- Any necessary virements across Portfolios to reflect changes in responsibilities.

11 Conclusion

- 11.1 The financial challenge faced by the City Council is unprecedented. The simultaneous reductions in funding and increasing cost pressures, driven largely by demographic pressures in the essential care services, will require the Council to make savings / increase income by £37m over the next 3 years (or £37.6m assuming a Council Tax freeze in 2015/16).

- 11.2 The proposals to Council contained within this report seek to achieve the first £13.1m of those savings in 2015/16. There are also proposals to set aside £1m of funding to support greater efficiency and integration with both the Voluntary and Health sectors as well as pursuing business interventions into

the areas of the Council's activity where it spends most heavily. These proposals are intended to provide substantial foundations towards meeting the Council's remaining savings for both 2016/17 and 2017/18.

- 11.3 Approval for the savings proposals is recommended at this early stage in order to achieve full year savings and avoid greater and deeper cuts associated with any delay. In terms of service delivery and planning, it is equally important to provide partners and residents significant advance notice of the changes to come into effect in order to assist them to plan for change accordingly.
- 11.4 This report is the pre-cursor to the Annual Budget and Council Tax Setting meeting to be held on the 10th February 2015 where the Council will be requested to formally approve the Budget for 2015/16 and the associated Council Tax for the year. Should the savings proposals contained within this report be approved, they will form the basis of the Budget 2015/16 presented to Council in February 2015. That report will also include a comprehensive revision of the Council's future forecasts and set the consequent future savings requirements for the period 2016/17 to 2018/19.
- 11.5 Finally, the proposals within this report will maintain the Council's financial health and resilience and therefore its ability to respond in a measured and proportionate way to any "financial shocks" by having adequate reserves and contingencies available for a Council of this size and risk profile.

12 Equality Impact Assessment (EIA)

- 12.1 The Portfolio / Committee savings amounts proposed within this report will inevitably impact on service provision. Appendix B describes the indicative savings that might (or are likely) to be made in order to achieve the proposed savings amounts. Whilst some are likely to be implemented, there will be others that require consultation and appropriate Equality Impact Assessments to be considered before any implementation can take place. For this reason, any savings proposal set out in Appendix B can be altered, amended or substituted with an alternative proposal following appropriate consultation.
- 12.2 A city-wide budget consultation took place during September and October to help inform how to make £37m of savings over the next 3 years. The consultation took the form of a questionnaire which was also supplemented by two public meetings with residents and one public meeting with the business community. 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.

13 City Solicitor's Comments

13.1 The Cabinet has a legal responsibility to recommend a Budget to the Council and the Cabinet and Council have authority to approve the recommendations made in this report.

14 Head of Finance's Comments

14.1 All of the necessary financial information required to approve the recommendations is reflected in the body of the report and the Appendices.

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Signed by: Head of Finance & Section 151 Officer

Appendices:

A	Recommended Portfolio / Committee Savings 2015/16
B	Indicative Savings Proposals 2015/16

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

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

Title of document	Location
Budget Working Papers	Office of Head of Financial Services
Local Government Finance Settlement 2014/15	Office of Head of Financial Services

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by the City Council on 9th December 2014.

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Signed by: Leader of Portsmouth City Council

PROPOSED BUDGET SAVINGS AMOUNTS 2015/16 BY PORTFOLIO/COMMITTEE

Portfolio/Committee	Saving 2015/16		Saving 2016/17		Saving 2017/18	
	£	%	£	%	£	%
Children and Education	914,100	3.0%	918,100	3.0%	922,100	3.0%
Culture, Leisure and Sport	638,900	7.8%	673,900	8.2%	673,900	8.2%
Environment and Community Safety	870,000	5.8%	870,000	5.8%	870,000	5.8%
Governance, Audit and Standards	30,200	10.6%	30,200	10.6%	30,200	10.6%
Health and Social Care	5,389,500	9.0%	5,389,500	9.0%	5,389,500	9.0%
Housing	135,500	6.9%	135,500	6.9%	135,500	6.9%
Leader	22,100	10.5%	22,100	10.5%	22,100	10.5%
Licensing	120,000	19.8%	120,000	19.8%	120,000	19.8%
Other Expenditure	1,581,400		1,488,900		1,488,900	
Planning Regeneration and Economic Development	367,200	7.7%	369,900	7.7%	369,900	7.7%
Resources	2,447,100	11.2%	2,497,900	11.5%	2,497,900	11.5%
Traffic and Transportation	584,000	14.8%	584,000	14.8%	584,000	14.8%
Grand Total	13,100,000	8.9%	13,100,000	8.9%	13,104,000	8.9%

