

CABINET

(from 4 December 2014)

CAB

Portsmouth City Council Revenue Budget 2015/16 - Savings Proposals (Cabinet Minute 100)

A commitment was given by the Administration to work with the current providers to deliver an alternative, not-for-profit service for the existing users of Dial-a-Ride.

RECOMMENDED that:

- (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**
- (2) That the Council note:**
 - (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 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 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**

Councillor Donna Jones
Leader of the Council