

Agenda Item 8

AGENDA ITEM 8 - Portsmouth City Council Budget & Council Tax 2020/21 & Medium Term Budget Forecast 2021/22 to 2023/24

Amendment to Cabinet recommendations attached.

Proposed by (Name) Councillor Donna Jones

Signed _____

Seconded by (Name) Councillor Luke Stubbs

Signed _____

Amendment proposed by the Conservative Group

Portsmouth City Council - Budget & Council Tax 2020/21 & Medium Term Budget Forecast 2021/22 to 2023/24

That the recommendations of the Cabinet of 4th February 2020 (Minute 13/20) on "Portsmouth City Council - Budget & Council Tax 2020/21 & Medium Term Budget Forecast 2021/22 to 2023/24" be amended as follows:-

Recommendation 1 be amended to:

- 1) The revised Revenue Estimates for the financial year 2019/20 and the Revenue Estimates for the financial year 2020/21 as set out in the General Fund Summary (Appendix A amended) including the changes described in paragraph 17 below:-

- 17) The following changes be made to Cash Limits for 2020/21 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	2020/21	2021/22 & Future Years
		£	£
Housing Portfolio			
Reduction in Landlords Maintenance undertaken at the Guildhall	The reduction will delay completion of maintenance works scheduled over the coming 5 years and limit the ability to undertake any further reactive repairs that arise over the intervening period. Note that this reduction in funding has the effect of deleting the "Guildhall Regeneration" scheme of £1.7m contained within the "Capital Programme 2019/20 to 2024/25" report considered elsewhere on this agenda	200,000	200,000
Resources Portfolio			
Reduce Human Resources Staffing	<ul style="list-style-type: none"> • Reduced capacity to manage / avoid Employment Tribunal claims and potential additional cost • Reduced ability to support organisational / legislative change (e.g. Brexit - EU workers, discrimination, bullying, employment legislation, in sourcing - e.g. Harry Sotnick House staff etc.) 	98,000	98,000
Move to "All Out" Elections*		0*	0*
Other Expenditure			
Reduction in Transfer to MTRS Reserve	Reduced scope to fund 'invest to save' or 'invest to avoid cost' initiatives	500,000	0
Total		798,000	298,000

* 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 2021)
- 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 2021 and the saving is estimated to be £56,000 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	2020/21	2021/22 & Future Years
		£	£
Community Safety			
New	Project to tackle bike thefts across the City - 2 Year contribution to the Police	60,000	60,000
Culture and City Development			
New	High Street events	120,000	
Environment & Climate Change			
New	Provision of additional dog waste bins across the City	12,000	8,000
Health, Wellbeing & Social Care Portfolio			
New	Reinstate a cap (set at £200 per week) on client contributions in respect of Day Care, Community Support and Health & Independence services**	25,000	25,000
Housing			
New	Homes in Multiple Occupation - 2 x Enforcement Officers (2 Year project) and on-going licence costs	66,000	76,000
Traffic & Transportation Portfolio			
New	On island parking zone referendum	100,000	
New	City Wide Review of double yellow lines and unused disabled parking bays	20,000	
Other Expenditure			
New	Remove Residents Parking First Permit Charge (Currently £30)	255,000	255,000
Total		658,000	424,000

Notes:

In aggregate, total savings exceed total expenditure by £14,000 over the 2 year period 2020/21 and 2021/22 (see table below). There are surplus savings in 2020/21 of £140,000 funding the excess costs in 2021/22 of £126,000.

The "steady state" ongoing costs of the spending proposals beyond 2021/22 amount to £298,000 and are equivalent to the amount of ongoing savings.

**** Re-instatement of the care cap is conditional upon legal opinion confirming that the implementation of such a cap is not discriminatory in law and that clients with a protected characteristic will not be determined to be treated unfairly.**

Recommendation 2 be amended to:-

2) The Portfolio Cash Limits for the Revised Budget for 2019/20 and Budget for 2020/21 incorporating the savings amounts for each Portfolio and amounting to £2.5m as set out in Sections 7 and 11, respectively as amended by paragraph 18 below:-

18) The following changes be made to Cash Limits for 2020/21 and future years

Portfolio / Committee	2020/21 £	Future Years £
Community Safety	60,000	60,000
Culture & City Development	120,000	0
Environment & Climate Change	12,000	8,000
Health Wellbeing & Social Care	25,000	25,000
Housing	(134,000)	(124,000)
Resources	(98,000)	(98,000)
Traffic & Transportation	120,000	0
Other Expenditure	(245,000)	255,000
Total	(140,000)	126,000

SECTION 151 OFFICER'S COMMENTS

Under Recommendation 16, 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 15 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.

GENERAL FUND SUMMARY - 2019/20 to 2023/24

APPENDIX A (amended)

Original Budget 2019/20 £	NET REQUIREMENTS OF PORTFOLIOS	Revised Budget 2019/20 £	Original Budget 2020/21 £	Forecast 2021/22 £	Forecast 2022/23 £	Forecast 2023/24 £
29,428,800	Children & Families	29,650,500	36,049,800	38,889,000	39,136,600	40,071,900
2,085,700	Community Safety	2,084,100	2,718,900	2,738,200	2,709,100	2,789,900
9,732,460	Culture Leisure & City Development	9,906,860	11,624,900	12,197,900	12,551,800	12,681,300
24,283,257	Education	24,580,357	21,047,200	21,321,400	21,577,100	21,840,700
14,283,513	Environment & Climate Change	14,349,713	14,092,100	14,513,500	15,129,800	14,096,100
47,682,279	Health, Wellbeing & Social Care	47,882,379	51,038,400	53,815,300	56,029,000	58,217,200
11,105,728	Housing	11,135,528	8,335,500	8,492,400	8,983,300	9,154,800
(9,681,818)	Leader	(11,999,818)	(24,229,200)	(25,641,400)	(27,377,200)	(28,082,900)
21,408,334	Resources	22,677,834	25,361,700	26,935,800	27,571,600	27,981,200
17,012,607	Traffic & Transportation	18,068,307	21,326,100	22,316,800	23,425,400	25,438,100
(228,095)	Licensing Committee	(223,495)	(129,000)	(133,100)	(137,300)	(141,600)
167,112,765	Portfolio Expenditure	168,112,265	167,236,400	175,445,800	179,599,200	184,046,700
	<u>Other Expenditure</u>					
8,018,900	Pension Costs	7,803,800	1,470,700	1,506,200	1,542,600	5,579,900
9,489,000	Contingency Provision	8,534,500	10,345,500	4,631,000	4,631,000	4,631,000
6,600,000	Revenue Contributions to Capital Reserve	11,379,900	10,000,000	3,000,000	3,000,000	0
(570,600)	Transfer to / (from) Other Reserves	(7,630,400)	2,681,500	1,660,500	2,291,200	291,200
(28,643,765)	Treasury Management	(27,068,765)	(19,983,600)	(18,372,200)	(18,488,200)	(19,053,900)
2,995,700	Other Expenditure	4,780,700	2,697,900	2,621,400	3,145,000	3,145,000
(2,110,765)	Other Expenditure	(2,200,265)	7,212,000	(4,953,100)	(3,878,400)	(5,406,800)
165,002,000	TOTAL NET EXPENDITURE	165,912,000	174,448,400	170,492,700	175,720,800	178,639,900
	FINANCED BY:					
(42,690)	Contribution (to) from Balances and Reserves	20,238	2,439,937	2,291,650	3,843,153	3,036,470
0	Revenue Support Grant	0	11,669,696	0	0	0
66,700,841	Business Rates Retention	66,834,896	55,391,749	62,276,977	64,422,667	66,629,273
17,054,314	Other General Grants	17,767,331	20,546,742	20,400,921	20,229,795	20,013,451
81,289,535	Council Tax	81,289,535	84,400,276	85,523,152	87,225,185	88,960,706
165,002,000		165,912,000	174,448,400	170,492,700	175,720,800	178,639,900
	BALANCES & RESERVES					
23,022,170	Balance brought forward at 1 April	23,022,156	23,001,918	20,561,981	18,270,331	14,427,178
42,690	Deduct (Deficit) / Add Surplus for Year	(20,238)	(2,439,937)	(2,291,650)	(3,843,153)	(3,036,470)
23,064,860	Balance carried forward at 31 March	23,001,918	20,561,981	18,270,331	14,427,178	11,390,708
8,000,000	Minimum Level of Balances	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000
(42,690)	Underlying Budget Deficit / (Surplus)	20,238	2,439,937	2,291,650	3,843,153	3,036,470

Agenda Item 9

AGENDA ITEM 9 - Capital Programme 2019/20 to 2024/25

Amendment to Cabinet recommendations attached.

Proposed by (Name) Councillor Donna Jones

Signed _____

Seconded by (Name) Councillor Luke Stubbs

Signed _____

Amendment proposed by the Conservative Group

Capital Programme 2019/20 to 2024/25

That the recommendations of the Cabinet of 4th February 2020 (Minute 14/20) on "Capital Programme 2019/20 to 2024/25" be amended as follows:-

Recommendation 4 be amended to:

Subject to a satisfactory financial appraisal by the Director of Finance and Resources & Section 151 Officer, the schemes as described in Section 9 and Appendix 2 be amended to include the following changes and be reflected within the recommended Capital Programme 2019/20 to 2024/25 (attached at Appendix 1) and be financed from the available capital resources:

Scheme Description - Deletions		(Decrease) in Corporate Resources	Reduction in / Deletion of Total Scheme Value
		£	£
Deletion of Proposed Capital Schemes:			
	Transitional Accommodation for Homeless - Adaptions to General Fund Property. Note: This scheme is to be amalgamated with the similar "Transitional Accommodation for Homelessness (Adaptations to HRA Property) and funded by HRA Borrowing	(700,000)	(700,000)
	Full Business Case For Extension to Tipner Park & Ride Multi Storey Car Park	(500,000)	(500,000)
Total Overall Deletions		(1,200,000)	(1,200,000)

Scheme Description - Additions (New)		Increase in Corporate Resources	Total Scheme Value
		£	£
Additional Capital Scheme Proposals (New):			
	*Establishment of an indoor market located in a suitable building in the Commercial Road area which is currently vacant	250,000	250,000
	Contribution to a Community 'Boris Bike' Scheme	250,000	250,000
	Project to establish a Homes in Multiple Occupation database of recording properties that meet license requirements - software and implementation costs	200,000	200,000
	Initiatives in Paulsgrove (incl. Allaway Ave. / Nailsworth Rd. Crossing; Verge Hardening), Eastney & Craneswater (incl. Crossing at Canoe Lake) and Community Initiatives in Fratton, Milton and St. Thomas Wards to Improve the Neighbourhood Living and Street Environment	300,000	300,000
	Southsea Sea Defences - Public Realm Enhancements Phase 1	50,000	250,000
	Marsden Road Toilets (Paulsgrove) - bring back in to use the non-disabled toilets	50,000	50,000
	Introduction of "Wild Meadows" with high carbon absorbing plants adjacent to high polluting highways	50,000	50,000
	Re-deployable CCTV Cameras	30,000	80,000
	Cycle Parking Across the City	20,000	45,000
Total Overall Change		1,200,000	

***Subject to a financial appraisal that can satisfactorily demonstrate with good certainty that income will at least meet the running expenses of the indoor market**

Recommendation 5 be amended to:

Subject to a satisfactory financial appraisal by the Director of Finance and Resources & Section 151 Officer, the schemes as described in Section 10 and Appendix 2 be amended to include the following changes and be reflected within the recommended Capital Programme 2019/20 to 2024/25 (attached at Appendix 1), to be funded from Prudential Borrowing up to the amounts shown.

Scheme Description - Deletions		Decrease in Prudential Borrowing Required	Reduction in / Deletion of Total Scheme Value
		£	£
Deleted Capital Scheme Proposals:			
	Guildhall Regeneration	1,700,000	1,700,000

Scheme Description - Increases		Increase in Prudential Borrowing Required	Total Prudential Borrowing Required
		£	£
Additional Capital Scheme Proposals:			
	Transitional Accommodation for Homeless (Adaptions to Housing Revenue Account Property)	700,000	1,500,000

Recommendation 8 be amended to:

The Prudential Indicators described in Section 14 and set out in Revised Appendix 3 below be approved.

SECTION 151 OFFICER'S COMMENTS

The proposals set out within this amendment are affordable within the overall capital resources available to the Council.

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.

PRUDENTIAL INDICATORS

Details of the Capital Programme are contained in Appendix 1

Ratio of Financing Costs to Net Revenue Stream							
	2018/19 Actual	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
Non - HRA	10.3%	12.0%	16.3%	17.5%	16.4%	14.5%	12.7%
HRA	7.4%	7.4%	7.9%	8.5%	8.9%	9.2%	9.6%

Capital Financing Requirement							
	2018/19 Actual £'000s	2019/20 Estimate £'000s	2020/21 Estimate £'000s	2021/22 Estimate £'000s	2022/23 Estimate £'000s	2023/24 Estimate £'000s	2024/25 Estimate £'000s
Non - HRA	453,626	633,173	681,251	705,939	708,038	702,083	686,992
HRA	173,068	175,807	189,855	209,901	226,155	241,733	264,018

Authorised Limit for External Debt							
	2018/19 Actual £'000s	2019/20 Estimate £'000s	2020/21 Estimate £'000s	2021/22 Estimate £'000s	2022/23 Estimate £'000s	2023/24 Estimate £'000s	2024/25 Estimate £'000s
Borrowing	658,069	744,623	828,730	879,570	903,532	917,002	928,637
Other Long Term Liabilities (ie Credit Arrangements)	66,151	62,377	57,151	51,340	46,032	42,494	38,366
Total	724,220	807,000	885,881	930,910	949,565	959,496	967,003

Operational Boundary for External Debt							
	2018/19 Actual £'000s	2019/20 Estimate £'000s	2020/21 Estimate £'000s	2021/22 Estimate £'000s	2022/23 Estimate £'000s	2023/24 Estimate £'000s	2024/25 Estimate £'000s
Borrowing	640,093	714,623	813,955	864,499	888,160	901,322	912,644
Other Long Term Liabilities (ie Credit Arrangements)	66,151	62,377	57,151	51,340	46,032	42,494	38,366
Total	706,244	777,000	871,106	915,840	934,193	943,816	951,010