

# Agenda Item 7

## **AGENDA ITEM 7** - Portsmouth City Council Budget & Council Tax 2021/2022 & Medium Term Budget Forecast 2022/23 to 2024/25

Amendment to Cabinet recommendations attached.

Proposed by (Name) Councillor Claire Udy

Signed \_\_\_\_\_

Seconded by (Name) Councillor Jeanette Smith

Signed \_\_\_\_\_



## **Amendment proposed by the Progressive Portsmouth People Group**

### **Portsmouth City Council - Budget & Council Tax 2021/22 & Medium Term Budget Forecast 2022/23 to 2024/25**

That the recommendations of the Cabinet of 02 February 2021 (Minute 12/21) on "Portsmouth City Council - Budget & Council Tax 2021/2022 & Medium Term Budget Forecast 2022/23 to 2024/25" be amended as follows:

#### **Recommendation 3.1 1) be amended to:**

- 1) The revised Revenue Estimates for the financial year 2020/21 and the Revenue Estimates for the financial year 2021/22 as set out in the General Fund Summary (Appendix A amended) including the changes described in paragraph 22 below:

- 22) The following changes be made to Cash Limits for 2021/22 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  | 2021/22   | 2022/23 & Future Years |
|---|--|-----------|------------------------|
|   |  | £         | £                      |
| Communities & Central Services Portfolio                |  |           |                        |
| Reduce management level staffing within Human Resources | Existing management span of control is high at 1 Manager to 16 staff. Further reduction in management capacity would result in: <ul style="list-style-type: none"><li>• The transfer of work to front line services and consequent reduction in their capacity</li><li>• Reduced capacity to manage / avoid Employment Tribunal claims and potential additional cost</li><li>• Reduced ability to effectively support organisational / legislative change (e.g. Brexit - EU workers, discrimination, bullying, employment legislation, in sourcing)</li><li>• Reduction in management capacity would risk external income to the council generated by the HR service</li></ul> | (150,000) | (150,000)              |
| Reduce staffing level within Information Technology     | <ul style="list-style-type: none"><li>• Ability to deliver the IT strategy will be compromised / delayed</li><li>• Inability to optimise the IT capital investment already made</li><li>• High risk that significant costs associated with maintaining the current outdated IT will continue to increase</li></ul>   | (100,000) | (100,000)              |
| Total   |  | (250,000) | (250,000)              |

## ii) Additions to Revenue Estimates

| Saving No.                               | Increases to Portfolio Cash Limits  | 2021/22 | 2022/23 & Future Years |
|--|---|---------|------------------------|
|  |   | £       | £                      |
| Children, Families & Education Portfolio |   |         |                        |
| New                                      | Expansion of the 4US Project by one Full Time Equivalent Member of Staff with the objective of providing a safe, secure and supportive environment to the adult LGBT+ community | 25,000  | 25,000                 |
| Communities & Central Services Portfolio |   |         |                        |
| New                                      | Hive Community Fund (Recovery Project and Mental Health projects)   | 225,000 | 225,000                |
| Total                                    |   | 250,000 | 250,000                |

### Recommendation 3.1 3) be amended to:-

- 3) The Portfolio Cash Limits for the Revised Budget for 2020/21 and Budget for 2021/22 incorporating the savings amounts for each Portfolio and amounting to £1.3m as set out in Sections 7 and 11, respectively as amended by paragraph 23 below:-

- 23) The following changes be made to Cash Limits for 2021/22 and future years

| Portfolio / Committee                    | 2021/22  | Future Years |
|--|----------|--------------|
|  | £        | £            |
| Children, Families & Education Portfolio | 25,000   | 25,000       |
| Communities & Central Services Portfolio | (25,000) | (25,000)     |
| <b>Total</b>                             | <b>0</b> | <b>0</b>     |

### Recommendation 3.1 24)

It is requested that the Leader considers transferring responsibility for all community related functions, from the Communities and Central Services Portfolio to the Culture, Leisure & Economic Development Portfolio

**Recommendation 3.1 25)**

That the Cabinet Member for Communities and Central Services Portfolio is requested to undertake a review of the Council's Communications function, evaluating the effectiveness of the current function and the allocation of communications resources across the council with a view to ensuring that adequate communications and social media resources are provided to priority areas such as Education, Public Health and other such areas which have a high social value; engaging residents in different ways and by age group, ethnicity, gender and sexual orientation.

**SECTION 151 OFFICER'S COMMENTS**

**Under Recommendation 21, 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 16 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 - 2020/21 to 2024/25

# APPENDIX A (amended)

| Original<br>Budget<br>2020/21<br>£ | NET REQUIREMENTS OF PORTFOLIOS               | Revised<br>Budget<br>2020/21<br>£ | Original<br>Budget<br>2021/22<br>£ | Forecast<br>2022/23<br>£ | Forecast<br>2023/24<br>£ | Forecast<br>2024/25<br>£ |
|------------------------------------|--|-----------------------------------|------------------------------------|--------------------------|--------------------------|--------------------------|
| 57,097,000                         | Children, Families & Education               | 57,109,400                        | 56,453,700                         | 57,385,400               | 58,938,700               | 60,071,200               |
| 25,155,700                         | Communities & Central Services               | 26,213,100                        | 25,255,000                         | 28,079,100               | 28,314,000               | 28,725,400               |
| 2,686,900                          | Community Safety                             | 3,488,900                         | 2,752,200                          | 2,877,300                | 2,942,900                | 3,020,800                |
| 11,114,700                         | Culture, Leisure & Economic Development      | 13,284,400                        | 13,111,200                         | 14,041,900               | 14,036,600               | 13,805,400               |
| 13,505,700                         | Environment & Climate Change                 | 13,704,600                        | 13,751,600                         | 14,699,100               | 13,632,900               | 13,922,200               |
| 51,013,400                         | Health, Wellbeing & Social Care              | 50,981,000                        | 54,446,000                         | 57,506,800               | 59,374,400               | 61,107,400               |
| 8,469,500                          | Housing & Preventing Homelessness            | 7,446,500                         | 7,421,700                          | 7,836,900                | 7,805,900                | 7,966,100                |
| (24,229,200)                       | Leader                                       | (24,714,600)                      | (25,708,200)                       | (25,399,900)             | (26,418,800)             | (26,946,300)             |
| 1,306,600                          | Planning Policy & City Development           | 1,374,100                         | 1,229,100                          | 1,274,200                | 1,321,300                | 1,369,900                |
| 21,206,100                         | Traffic & Transportation                     | 22,011,900                        | 21,097,000                         | 23,199,700               | 25,183,600               | 24,931,300               |
| (129,000)                          | Licensing Committee                          | (125,000)                         | (126,500)                          | (130,900)                | (135,400)                | (140,000)                |
| <b>167,197,400</b>                 | <b>Portfolio Expenditure</b>                 | <b>170,774,300</b>                | <b>169,682,800</b>                 | <b>181,369,600</b>       | <b>184,996,100</b>       | <b>187,833,400</b>       |
|                                    | <u>Other Expenditure</u>                     |                                   |                                    |                          |                          |                          |
| 1,470,700                          | Pension Costs                                | 1,348,200                         | 1,394,900                          | 1,428,500                | 5,563,000                | 5,598,300                |
| 10,345,500                         | Contingency Provision                        | 31,678,600                        | 26,295,700                         | 9,562,900                | 5,587,600                | 5,587,600                |
| 10,000,000                         | Revenue Contributions to Capital Reserve     | 8,144,800                         | 6,234,000                          | 3,500,000                | 0                        | 0                        |
| 2,860,500                          | Transfer to / (from) Other Reserves          | 29,667,300                        | (28,281,800)                       | (7,031,800)              | (1,892,200)              | (760,700)                |
| (19,983,600)                       | Treasury Management                          | (21,984,100)                      | (17,661,500)                       | (16,872,000)             | (18,470,200)             | (18,162,100)             |
| 2,697,900                          | Other Expenditure                            | 1,407,300                         | 3,670,000                          | 3,510,000                | 3,950,000                | 3,950,000                |
| <b>7,391,000</b>                   | <b>Other Expenditure</b>                     | <b>50,262,100</b>                 | <b>(8,348,700)</b>                 | <b>(5,902,400)</b>       | <b>(5,261,800)</b>       | <b>(3,786,900)</b>       |
| <b>174,588,400</b>                 | <b>TOTAL NET EXPENDITURE</b>                 | <b>221,036,400</b>                | <b>161,334,100</b>                 | <b>175,467,200</b>       | <b>179,734,300</b>       | <b>184,046,500</b>       |
|                                    | <b>FINANCED BY:</b>                          |                                   |                                    |                          |                          |                          |
| 2,579,937                          | Contribution (to) from Balances and Reserves | (364,220)                         | 2,041,226                          | 1,876,422                | 3,438,612                | 2,933,505                |
| 11,669,696                         | Revenue Support Grant                        | 11,669,696                        | 11,734,229                         | 11,968,914               | 12,208,292               | 12,452,459               |
| 55,391,749                         | Business Rates Retention                     | 80,005,046                        | 30,730,310                         | 52,485,182               | 53,072,167               | 55,044,897               |
| 20,546,742                         | Other General Grants                         | 44,863,946                        | 31,511,241                         | 20,935,147               | 20,551,525               | 20,720,656               |
| 84,400,276                         | Council Tax                                  | 84,861,932                        | 85,317,094                         | 88,201,535               | 90,463,704               | 92,894,983               |
| <b>174,588,400</b>                 |  | <b>221,036,400</b>                | <b>161,334,100</b>                 | <b>175,467,200</b>       | <b>179,734,300</b>       | <b>184,046,500</b>       |
|                                    | <b>BALANCES &amp; RESERVES</b>               |                                   |                                    |                          |                          |                          |
| 23,001,918                         | Balance brought forward at 1 April           | 23,010,130                        | 23,374,350                         | 21,333,124               | 19,456,702               | 16,018,090               |
| (2,579,937)                        | Deduct (Deficit) / Add Surplus for Year      | 364,220                           | (2,041,226)                        | (1,876,422)              | (3,438,612)              | (2,933,505)              |
| <b>20,421,981</b>                  | <b>Balance carried forward at 31 March</b>   | <b>23,374,350</b>                 | <b>21,333,124</b>                  | <b>19,456,702</b>        | <b>16,018,090</b>        | <b>13,084,585</b>        |
| <b>8,000,000</b>                   | <b>Minimum Level of Balances</b>             | <b>8,000,000</b>                  | <b>8,000,000</b>                   | <b>8,000,000</b>         | <b>8,000,000</b>         | <b>8,000,000</b>         |
| <b>2,579,937</b>                   | <b>Underlying Budget Deficit / (Surplus)</b> | <b>(364,220)</b>                  | <b>2,041,226</b>                   | <b>1,876,422</b>         | <b>3,438,612</b>         | <b>2,933,505</b>         |

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