



NOTICE OF MEETING

SCRUTINY MANAGEMENT PANEL

MONDAY, 6 FEBRUARY 2017 AT 5.00 PM

CONFERENCE ROOM A - CIVIC OFFICES

Telephone enquiries to Vicki Plytas on 023 9283 4058
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If any member of the public wishing to attend the meeting has access requirements, please notify the contact named above.

Membership

Councillor Simon Boshier (Chair)
Councillor Ian Lyon (Vice-Chair)
Councillor Alicia Denny
Councillor Ben Dowling
Councillor Scott Harris

Councillor Steve Hastings
Councillor Stephen Morgan
Councillor Darren Sanders
Councillor Tom Wood

Standing Deputies

Councillor Jennie Brent
Councillor Yahiya Chowdhury
Councillor Frank Jonas

Councillor Leo Madden
Councillor Matthew Winnington
Councillor Rob Wood

(NB This Agenda should be retained for future reference with the minutes of this meeting.)

Please note that the agenda, minutes and non-exempt reports are available to view online on the Portsmouth City Council website: www.portsmouth.gov.uk

Deputations by members of the public may be made on any item where a decision is going to be taken. The request should be made in writing to the contact officer (above) by 12 noon of the working day before the meeting, and must include the purpose of the deputation (for example, for or against the recommendations). Email requests are accepted.

AGENDA

- 1 **Apologies for Absence**
- 2 **Declarations of Members' Interests**

3 Minutes of the Meeting held on 5 December 2016 (Pages 3 - 6)

RECOMMENDED that the minutes of the meeting held on 5 December 2016 be confirmed and signed by the chair as a correct record.

4 Portsmouth City Council Budget and Council Tax 2017/18 and Medium Term Budget Forecast 2018/19 to 2020/21 and Capital Programme 2016/17 to 2021/22

A presentation will be provided to members and an opportunity will be given for members to ask any questions they may have.

Members of the public are now permitted to use both audio visual recording devices and social media during this meeting, on the understanding that it neither disrupts the meeting or records those stating explicitly that they do not wish to be recorded. Guidance on the use of devices at meetings open to the public is available on the Council's website and posters on the wall of the meeting's venue.

Agenda Item 3

SCRUTINY MANAGEMENT PANEL

Minutes of the meeting of the Scrutiny Management Panel held on Monday, 5 December 2016 at 6.00 pm at the Civic Offices, Portsmouth

Present

Councillors Ian Lyon
Alicia Denny
Ben Dowling
Scott Harris
Steve Hastings
Darren Sanders

19. Apologies for Absence (AI 1)

Apologies for absence were received from Councillor Simon Boshier, Councillor Stephen Morgan and Councillor Tom Wood. The Vice Chair, Councillor Ian Lyon chaired the meeting in the absence of Cllr Boshier and welcomed everyone to the meeting.

20. Declarations of Members' Interests (AI 2)

There were no declarations of members' interests.

21. Minutes of the Meeting held on 21 November 2016 (AI 3)

RESOLVED that the minutes of the meeting held on 21 November 2016 be confirmed and signed by the Chair as a correct record.

22. Presentation on the Revenue Budget Savings Proposals 2017/18 (AI 4)

(TAKE IN SLIDE PRESENTATION)

Cllr Ian Lyon, invited Mr Chris Ward to give his presentation.

A hand-out of the presentation was given to members of the Panel. Mr Chris Ward advised members that the purpose of this meeting was to enable the Panel to scrutinise the budget proposals and raise any queries in advance of the Council Meeting. The indicative budget savings proposals would be taken to the December Council meeting but these cannot be formally approved until February.

He said that section 3 of the report going to Council detailed the recommendations being made. He explained that Appendix B of the report showed indicative savings - these are not necessarily what will happen, but the envelope is the same, although changes could be made within it that would deliver the same savings.

Mr Ward said that savings generated in some services could offset costs.. He referred to Slide 4 to indicate the overall impact of austerity so far. This demonstrated the £68m government funding reduction and said that by

2019/20 PCC would have only 47% of the funding it had received in 2011/12 as shown in slide 5.

Slide 6 indicated those services that have borne the brunt of these funding reductions and which services were being "protected". The net spend had reduced.

Mr Ward referred to slide 7 which showed the outlook for funding and expenditure including the Economic context, the Local Government Funding Outlook and the City Council Expenditure Outlook.

With regard to the 4 year settlement, Mr Ward said this appeared to be safe in terms of the Local Government Funding Outlook. Council Tax is assumed to increase by 1.99% per annum - 1% amounted to £652,000 additional income. Council Tax (Adult Social Care) -is assumed to increase by 2% (£1.3m) and assumed funding reductions (government and business rates) of 20% over the next three years.

Mr Ward referred to slide 9 which showed the £24m deficit that would need to be addressed but also said that there were additional underlying deficits to be remedied of £1.1m plus the National Living Wage of £1.4m. There would also be year on year increases in the Employer's pension costs.

Mr Ward referred to slide 11, Key Messages which showed that only £117m of the Council's Gross Revenue Expenditure of £539m is un ring-fenced and controllable. 56% of controllable spending is on Health and Social Care and Education & Children which rises to 67% when Environment & Community Safety is included. There are also existing underlying deficits in Adult Social Care and Children's Social Care amounting to £1.1m.

Mr Ward then said this was a significant challenge and set out how it was intended to manage the situation. Slide 14 sets out the 4 strands of the refreshed Medium Term Financial Strategy as follows:-

- Transforming to an Entrepreneurial Council
- Reduce the extent to which the population needs Council Services
- Reduce the extent to which the population needs Council Services
- Withdraw or offer minimal provision of low impact Services

Mr Ward then gave details of the Budget Consultation for 2017/18 as set out in slide 15.

Finally he set out the budget proposals for 2017/18. Slide 17 shows the recommended savings by type, slide 18 shows the recommended savings by portfolio and slide 19 listed recommendations 3.1a),b), c), and e) of the report which he draw particularly to members' attention.

Mr Ward then invited questions from members.

In response to queries, the following matters were clarified

- He confirmed that there were fewer respondents to the budget consultation than last year.
- About 30 people on average attended the public budget consultations
- Most respondents were City Council staff but there was no discernible difference in overall response from the two groups and was robust according to statistical methodologies.
- Now that the portfolios for Adult Social Care and Children's Social Care had been separated, members requested that they should be shown separately going forward. This was agreed.

- In response to a query about "other expenditure", Mr Ward said that this was detailed in the quarterly budget monitoring reports going to Governance & Audit & Standards Committee. The Chair said it would be interesting to have more detail about this.
- With regard to where income from MMD would be shown, Mr Ward said this would be under "Other" as it is effectively an investment for the Council
- The costs of providing the Living Wage had not been built in to the deficit
- The next review of the national funding formula was not until 2020.
- With regard to the business rate, this had not been factored in as it was fiscally neutral.
- The budget for Governance & Audit & Standards comes under the Resources portfolio holder
- With regard to 3.1e) of the recommendations in the Portsmouth City Council Revenue Budget 2017/18 - Savings Proposals, Mr Ward explained that it was proposed to change the criteria for the use of the Voluntary Sector Capacity & Transition Fund. As the available money is finite, any proposal coming forward should contain a plan to reduce reliance on the Council to zero. He advised that delegated powers had already been approved to allow for this.
- In response to a query about the difference between efficiency and service reductions, Mr Ward said that directors were required to describe savings and Finance decided the category in which to include them.

The Chair thanked Mr Ward for his presentation.

The meeting concluded at 7.15 pm.

Chair

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