



NOTICE OF MEETING

SCRUTINY MANAGEMENT PANEL

WEDNESDAY, 18 SEPTEMBER 2019 AT 2.30 PM

THE EXECUTIVE MEETING ROOM - THIRD FLOOR, THE GUILDHALL

Telephone enquiries to Stewart Agland, Local Democracy Manager Tel: 023 9283 4055
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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 Jason Fazackarley (Chair)
Councillor Leo Madden (Vice-Chair)
Councillor Simon Boshier
Councillor Ben Dowling
Councillor George Fielding

Councillor Jo Hooper
Councillor Scott Payter-Harris
Councillor Will Purvis
Councillor Benedict Swann

Standing Deputies

Councillor Chris Attwell
Councillor David Fuller
Councillor Donna Jones

Councillor Hugh Mason
Councillor Lee Mason
Councillor Luke Stubbs

(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

AGENDA

- 1 **Apologies for Absence**
- 2 **Declarations of Members' Interests**
- 3 **Minutes of the meetings held on 28 January and 1 February 2019 (Pages 3 - 32)**

RECOMMENDED that the Minutes of the Meetings held on 28 January and 1 February 2019 each be confirmed and signed by the Chair of the relevant meeting as a correct record.

4 Work Programme and updates in respect of the themed scrutiny panels
(Pages 33 - 36)

The panel is asked to note the updates in respect of the themed scrutiny panels.

The panel is asked to consider the topics put forward for review by two of the themed panels (as attached) and determine their coming work programmes.

Chairs of the relevant themed scrutiny panels (or the Chair's representative on that panel) are invited to the meeting to provide more information on the topic/s their panel has put forward.

Members of the public are permitted to use both audio visual recording devices and social media during this meeting, on the understanding that it neither disrupts the meeting nor 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.

Whilst every effort will be made to webcast this meeting, should technical or other difficulties occur, the meeting will continue without being webcast via the Council's website.

This meeting is webcast (videoed), viewable via the Council's livestream account at <https://livestream.com/accounts/14063785>

Agenda Item 3

SCRUTINY MANAGEMENT PANEL

Minutes of the meeting of the Scrutiny Management Panel held on Monday, 28 January 2019 at 10.30am at the Civic Offices, Portsmouth

Present

Councillor Tom Wood (in the Chair)
Leo Madden
Jennie Brent
Scott Payter-Harris

The Chair of the Panel, Councillor Tom Woods, welcomed everyone to the meeting and read out the evacuation procedure.

11. Apologies for Absence (AI 1)

Apologies for absence were received on behalf of Councillors Simon Boshier, George Fielding, Ian Lyon and Hugh Mason.

12. Declarations of Members' Interests (AI 2)

There were no declarations of members' interests.

13. Minutes of the meetings held on 9 February, 21 September and 9 November 2018 (AI 3)

RESOLVED that the minutes of the meetings held on 9 February 2018, 21 September 2018 and 9 November 2018 each be confirmed and signed by the Chair of the relevant meeting as a correct record.

14. Work Programme and update for the remainder of the 2018/19 municipal year in respect of the themed scrutiny panels (AI 4)

The Chair first mentioned the two panels that had put forward topics for allocation by the Scrutiny Management Panel - Housing & Social Care (H&SC) and Education Children and Young People's (ECYP) Scrutiny Panels.

The Chair advised that Councillor Luke Stubbs, Chair of Housing & Social Care Scrutiny Panel had been unable to attend the meeting today but had sent an email explaining why the panel had put forward the two topics

1. Review of the provision of temporary accommodation and.
2. Review of the experiences gathered after decantation of residents from tower blocks for review.

The Chair allowed time for the members of SMP to read the email and then invited Councillor Leo Madden who was also a member of the Housing & Social Care Scrutiny Panel (H&SC) to add any comments.

Cllr Madden explained that H&SC had suggested topics that they hoped to be able to complete before purdah which was only a matter of 6 weeks or so away. It was hoped that both reviews would be relatively quick to complete.

Following discussion, members agreed the topics put forward by H&SC. With regard to the order in which the reviews should take place, the Chair suggested that it should be left to the Chair of H&SC to determine following discussion with the panel. On being put to the vote, this was agreed.

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With regard to ECYP Scrutiny Panel, the Chair advised that only one topic had been put forward for allocation - Children with Disabilities to focus particularly on out of city placements and the use of Beechside. The reasons why this had been put forward was that the ECYP panel believed that a review into the provision of education for disabled children in the City would be of value to both the Panel and the Council. This was an area that had been identified as requiring improvement by Ofsted. It would also provide an opportunity to undertake a review that would integrate with the Council's Health partners.

Members of Scrutiny Management Panel considered the proposed review to be very worthwhile and on being put to the vote agreed the allocation to ECYP.

The Scrutiny Management Panel noted the updates received in respect of the Traffic, Environment and Community Safety Scrutiny Panel (TECS) and The Economic Development Culture and Leisure Scrutiny Panel (EDCL).

During discussion it was confirmed that:-

- TECS had requested two years to carry out their parking review given that it was such a wide ranging review. The review was very near completion but there had been a number of challenges to overcome.
- EDCL was continuing its review into the International Port.

The next meeting of Scrutiny Management Panel would be on Friday 1 February at 2.30pm to receive a presentation on the budget.

RESOLVED that the Scrutiny Management Panel

(1) Noted the updates in respect of the themed scrutiny panels.

(2) Noted that the TECS scrutiny panel will continue with its review of general parking issues in Portsmouth with a view to considering alternative strategies.

(3) Noted that the EDCL scrutiny panel will continue its current review of the International Port.

(4) Determined that the work programme for the remainder of the Municipal Year for

(a) the Housing and Social Care Scrutiny Panel would be to review the following topics in the order the panel decides

- Review of the provision of temporary accommodation.
- Review of the experiences gathered after decantation of residents from tower blocks

(b) the Education Children and Young People's Scrutiny Panel would be to carry out a review into Children with Disabilities to focus particularly on out of city placements and the use of Beechside.

The meeting concluded at 10.50am.

Councillor Tom Wood
Chair

SCRUTINY MANAGEMENT PANEL

Minutes of the meeting of the Scrutiny Management Panel held on Friday, 1 February 2019 at 2.30pm at the Civic Offices, Portsmouth

Present

.....
Councillors Leo Madden
Ian Lyon
Scott Payter-Harris

5. Apologies for Absence (AI 1)

Councillor Madden welcomed everyone to the meeting and provided information about the evacuation procedures. He advised that the meeting was being live-streamed and that the meeting would be available on the council's website

Apologies had been sent by Councillors Simon Boshier, Hugh Mason and Tom Wood sent their apologies. Councillor David Fuller deputised for Councillor Wood.

6. Declarations of Members' Interests (AI 2)

No interests were declared.

7. Presentation on Portsmouth City Council Budget and Council Tax 2019/20 and Medium Term Forecast 2020/21 to 2022/23 (AI 3)

Chris Ward, Director of Finance & Information Services, Finance and IT gave a presentation on the council's budget during which various points of clarification were requested.

Councillor Ian Lyon left the meeting at 3:10pm.

Councillor Madden thanked Chris for his presentation.

The meeting concluded at 3.45pm.

Chair



Portsmouth City Council

Budget & Council Tax 2019/20 & Medium Term Forecast

Capital Programme 2018/19 – 2023/24

Chris Ward – Director of Finance & Information Technology (S.151 Officer)

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Introduction

Part 1

- Financial Context

Part 2

- Revised Budget 2018/19

Part 3

- Budget 2019/20 (incl. Local Govt. Finance Settlement , Business Rates and Council Tax)

Part 4

- Future Forecasts – 2020/21 to 2022/23

Part 5

- Capital Programme 2018/19 to 2023/24

Part 6

- Summary
- Questions

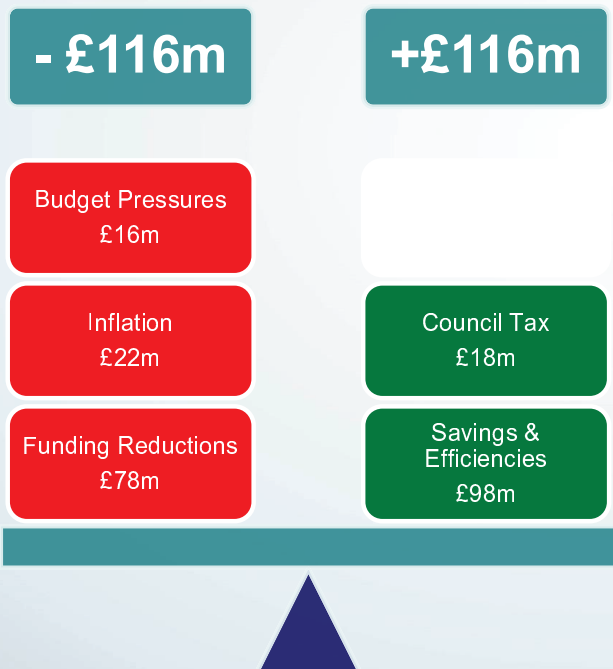
Part 1

Financial Context

Overall Impact of Austerity – so far

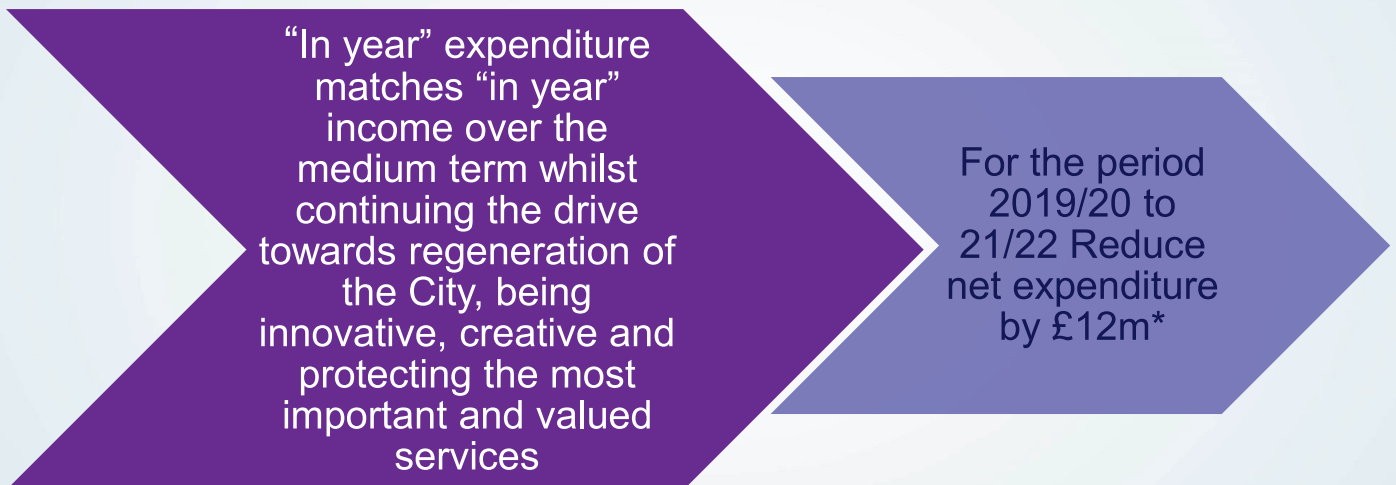
2011/12 to 2018/19

2019/20



- A further £4m of Savings & Efficiencies for 2019/20 - £102m (48% of Controllable Spending)

The Plan - Overall Aim



* Working assumption based on 4 Year Settlement

Medium Term Financial Strategy

4 Strands

Strand 1

(Increase Income
& Funding)
Short / Medium Term

Transforming to an Innovative Council

Strand 2

(Manage Demand)
Medium / Long Term

Reduce the extent to which the population needs
Council Services – through improving prosperity

Strand 3

(Value for Money)
Short / Medium Term

Increase the efficiency and effectiveness of the
Council's activity

Strand 4

(Cuts)
Short Term

Withdraw or offer minimal provision of low impact
Services

Future Years' Savings Requirements 2019/20 to 2021/22

£12m Deficit – Current Forecast

2019/20

2020/21

2021/22

£4m

£4m

£4m



BUT ALSO Underlying Deficits to be remedied:

- Adult Social Care £2.5m
- Children's Safeguarding £5.1m

Part 2

Revised Budget 2018/19

Revised Budget 2018/19 - £167.0m (net)

Key Changes

- Overspendings:
 - Increase in Contingency of £3.5m to cover:
 - *Children's Social Care (CSC) - £6.9m (some funding already included in contingency)*
 - *Adults Social Care (ASC) - £1.7m (Gross o/s £3.9m but offset by ASC Reserves, some funding already budgeted for in contingency)*
 - MMD - £3.0m (expected to return to profit in 2020/21)
 - Victory Energy £2.5m
- Underspendings:
 - Treasury Management - £3.3m
 - Additional Funding - £1.8m

Proposals

- Reduce Revenue Contribution to Capital - £3.5m

Part 3

Budget 2019/20

Recap: Budget Decisions – December 2018

Budget Savings 2019/20

- Savings:
 - Efficiency Savings £2.9m (72%)
 - Additional Income £0.8m (21%)
 - Service Reductions £0.3m (7%)
- Average Saving = 2.5%
- Children's Social Care – no savings
- Next smallest saving in Education Portfolio at 0.9%
- Adult Social Care saving 1.9% - but real increase in funding overall

Council Tax (General Purposes) 2019/20

- Council Tax – 2.99% increase per annum (CPI 2.3% and RPI 3.2%)

Adult Social Care Precept 2019/20

- Increase in Council Tax of 1.5% (£1.1m)
- **But Not Enough!:**
 - Existing underlying deficit £2.5m
 - Demand Led cost pressures – ageing and “living longer” population

Local Government Finance Settlement 2019/20

Final Settlement 2019/20

- In overall financial terms, broadly equivalent to forecast - £5.3m reduction in funding for 2019/20
- Additional “one-off “ grant of £2.4m for Adult Social Care
- 75% Solent Business Rate Retention Pilot successful
- Two consultation papers on future of Local Government Funding commencing in 2020/21– significant risk for future forecast!

Council Tax 2019/20

- Referendum threshold for General Purposes - 3% (inflation based level)
- Social Care Precept remains intact – 6% in total over 2017/18 to 2019/20 but with a 3% annual cap (1.5% remaining for PCC for next year)

Future of Local Government Funding

- Comprehensive Spending Review – Sets total quantum for Local Gvt. Funding
- Fair Funding Review – Distribution of total quantum (New Formula Funding model and up to date data to populate formulae)
- 75% Business Rate Retention – Arrangements for retention of any growth or decline and how long it is retained

75% BUSINESS RATE RETENTION PILOT

Portsmouth, Southampton & Isle of Wight

Risks



Rewards

£7.6m “Growth Pool”

Government’s Share of Growth since 2013/14

60% (£4.7m)
Need

30% Growth &
Productivity Pot

10%
Financial
Stability Pot

SCC
£2.0m

PCC
£1.6m

IOWC
£1.1m

£2.2m

£0.7m



- Guaranteed for 1 Year Only

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Council Tax Proposal - 2019/20

Council Tax Context

- Low taxing authority – 10% below average amounting to £6m
- Average Council Tax is Band B - £1,036.p.a.
- Only 52% of all households pay full Council Tax (all others receive some form of exemption, discount or support)

PCC Council Tax Proposal 2019/20

- Tax Level:
 - General Increase in Council Tax of 2.99% = £2.3m (60p per week for Band B Taxpayer)
 - Increase for Social Care of 1.5% = £1.1m (30p per week for Band B Taxpayer) – *Alternative: ASC to find £762,900 for each 1% reduction*
- Tax Scheme:
 - Care Leavers discount scheme
 - Long Term Empty Property Premium

PCC, P&CC, HFRA Council Tax Proposals

- | | |
|------------------------------------|--------------|
| • PCC | 4.49% |
| • P&CC | 13.52% |
| • HFRA | 3.00% |
| • Total Portsmouth Resident | 5.45% |

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Budget 2019/20 - £165.3m (net)

Key Spending / Savings Proposals

• <u>Increases in Expenditure</u>	
• Inflation (3.5% incl. pay at 3.0%)	£4.7m
• Children's Social Care (Increase in Looked After Children >40%)	£4.0m
• Adult Social Care (Budget deficit, Winter Pressures and NLW)	£2.5m
• Revenue Contribution to Capital (incl. BRR Pilot funding)	£6.6m
• Contingency	£9.5m
• Approved savings	£4.0m

Funding Position

• Government Funding Reduction	£5.3m
• Additional Council Tax (Tax Increase £3.4m, Taxbase £1.7m)	£5.1m
• Bus. Rates Reduction (NB. £1.6m decrease due to 75% BRR Pilot)	£2.9m
• "One-off" Collection Fund Surplus	£2.4m

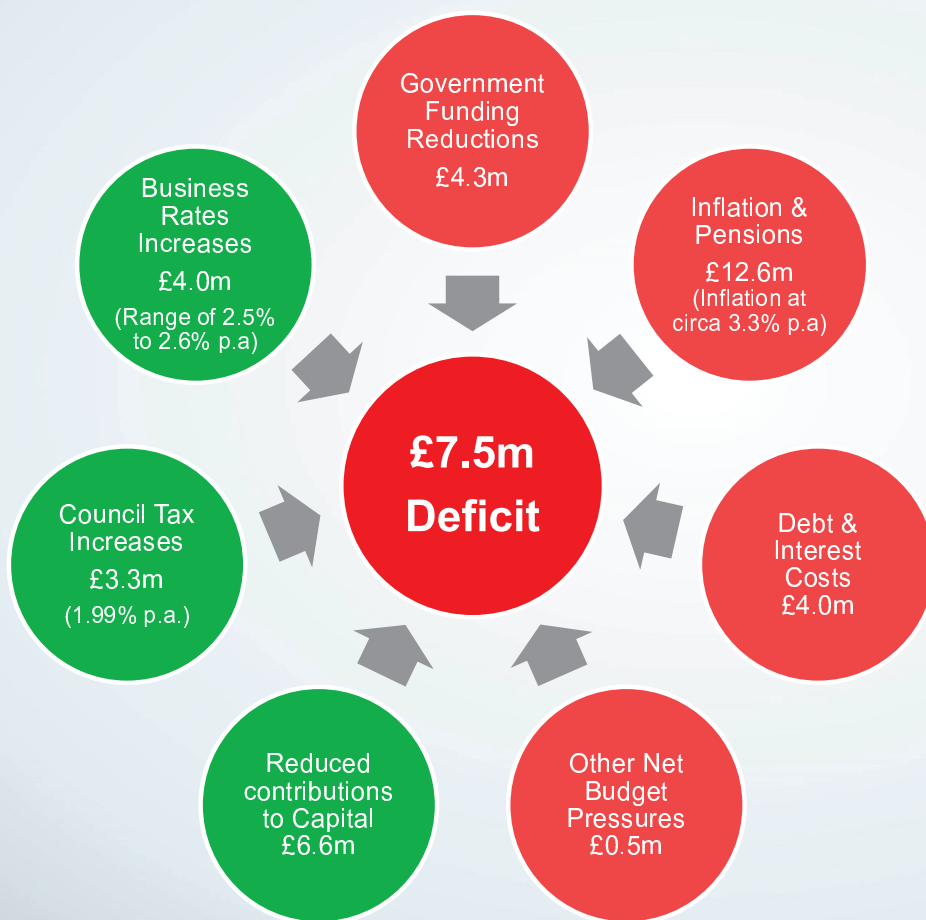
Budget Sustainability

- Children's Social Care Underlying deficit of £5.1m – Additional funding of £4m, reducing to £3m with plan to save £2m
- Adult Social Care Underlying deficit of £2.5m – 3 year plan to reduce to zero, drawing on In House Residential Reserve and ASC Transformation Fund (£2.7m)

Part 4

Future Forecasts – 2020/21 to 2022/23

The Next 3 Years – 2020/21 to 2022/23



Forecast subject to CSR, “Fair Funding Review” & 75% BRR

+/- £3m

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Future Years' Savings Requirements 2020/21 to 2022/23

£7.5m Deficit

2020/21

2021/22

2022/23

£2.5m

£2.5m

£2.5m



- **Forecast for 2020/21- Post CSR, “Fair Funding Review”, and 75% Business Rate Retention**

Part 5

Capital Programme

2018/19 to 2023/24

Capital Programme 2018/19 to 2023/24

Capital Strategy

- Essential to maintain operational effectiveness (incl. statutory responsibilities)
- Continued drive towards the regeneration of the City – Increase prosperity through employment and reduce the extent to which the population needs Council services
- Income Generation – Reduced dependency on central government grant
- Invest to Save - Increase the efficiency & effectiveness of the Council's activity

Resources Available £73m

- **£22.1m** Corporate Capital Resources:
 - Includes additional £7.8m from DfE for School Places and future allocation for School Maintenance of £0.7m
 - Significant Revenue Contributions to Capital (£6.6m incl. £1.6m 75% BRR)
- Borrowing available for Invest to Save Schemes - **£45m** (requires high degree of certainty that income / savings > debt costs)
- Cabinet Members' use of Portfolio Reserves - **£1.4m**
- MTRS Reserve (Invest to Save Schemes) - **£2.2m**
- Earmarked Reserves (Built up for a specific purpose) - **£2.2m**

Capital Investment Proposals

Key
Capital
Investment

£77m

• <u>Maintain Operational Effectiveness / Statutory Responsibilities</u>	
• School Places	£8.3m
• School Condition (roofs, boilers, windows, electrics etc.)	£1.8m
• Critical Maintenance	£2.1m
• Pyramids	£1.5m
• Football Facilities	£0.6m
• Windows 10 Upgrade & Hardware Re-refresh (People's Network)	£0.4m
• Air Quality	£0.3m
• <u>Physical & Cultural Regeneration:</u>	
• Station Square – Public Realm	£0.3m
• Smart Cities - Intelligent Transport Systems	£0.2m
• <u>Invest to Save:</u>	
• Port Development – Cruise and Ferry (subject to Business Case)	£18.7m
• MMD - (subject to Strategic Review and Business Case)	£15.0m
• Extra Care Housing (saves 492k p.a.)	£9.7m
• Single Materials Recycling Facility (subject to Business Case)	£4.8m
• Waste Collection Vehicles (avoids higher contract cost)	£4.1m
• Core Finance, HR, Procurement, systems (saves 350k p.a.)	£2.0m
• Utilities & Energy Management (saves 140k p.a.)	£1.1m
• Homes for Homeless	£1.0m
• <u>Transport Infrastructure:</u>	
• Local Transport Plan - statutory responsibilities / smaller schemes	£0.7m
• <u>Public Service Transformation:</u>	
• Mobile Working – ASC and CSC	£0.4m

Future Capital Investment Obligations / Aspirations

Capital Investment Obligations / Aspirations

- Total Obligations - £15.7m - £55.9m
- Total Capital Resources - Circa £7m per annum
- Total Funding Gap - £9m – £49m

	Unfunded Requirement £m
Additional School Places - Primary & Secondary	0 - 5.0
Anti-Poverty Projects	0.4
Development of Performing Arts	6.0 - 10.0
Digital Strategy (incl. move to cloud based Information Technology systems)	2.0 - 3.5
Landlord's Maintenance	2.0 - 4.0
Local Transport Plan - road safety and traffic improvement schemes	1.5 - 2.0
Park Life	2.0 - 4.0
Sea Defences	0 - 25.0
The Camber Quay Berth 4 Replacement	1.8 - 2.0
Total Funding Requirement	15.7 - 55.9

Gap Funding Options

- National Funding Bids – e.g. Housing Infrastructure Fund, National Productivity Fund (requires match funding!)
- LEP (but needs match funding!)
- Revenue Contributions to Capital (Planned and from underspendings)

Part 6

Summary

Summary

Revised Budget 2018/19

- Balanced Budget (accommodating all forecast overspendings)

Budget 2019/20

- Budget savings requirement of £4m achieved
- Additional £4m for Children's Social Care
- Additional £2.5m for Adults Social Care (including ASC Precept of £1.1m)
- Tax Increase of 4.49% (incl. 1.5% for Adult Social Care)
- 75% BRR Pilot – extra £1.6m plus share of £2.2m (Growth & Productivity)
- Council's financial position remains sound

Future Years Forecast 2020/21 to 2022/23

- 2020/21 to 2022/23 - Savings requirement of £7.5m but Forecast susceptible to outcome of CSR, FFR and 75% BRR +/- £3m
- 2020/21 - Minimum savings requirement of £2.5m

Capital Programme 2018/19 to 2023/24

- Statutory obligations met for 2019/20
- Significant capital funding directed at providing school places
- Large future funding gap £9m - £49m
- Match funding is increasingly important to meet future funding gap

Questions & Comments



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Agenda Item 4

SCRUTINY MANAGEMENT PANEL (SMP)

Updates and Suggested Topics for Review for the Themed Panels

February 2019 to now

Education, Children & Young People Scrutiny Panel (ECYP)

SMP agreed at its meeting on 28 January 2019 that the ECYP Scrutiny Panel would carry out a review into children with disabilities to focus particularly on out of city placements and the use of Beechside. Since then the Panel has met on 17 June to clarify what they would like the review to cover and on 15 July to discuss the scoping document. The next meeting is on 16 September where they will receive initial evidence from Children's Services.

Scrutiny Management Panel is asked to note this update

The Traffic, Environment & Community Safety Scrutiny Panel (TECS)

Update

On 8 February the panel completed its review of general parking issues in Portsmouth with a view to considering alternative strategies. The Cabinet considered the report at its meeting on 12 March and supported the panel's recommendations.

Scrutiny Management Panel is asked to note this update

Suggested Topics for Review

The panel has chosen to do a review **into the accessibility of the highways**, subject to the agreement of the Scrutiny Management Panel. The exact scope has yet to be agreed but the panel would investigate the overall physical accessibility of the transport network in Portsmouth for users of reduced mobility and cover the following elements: public transport; private hire vehicles and hackney carriages, the highway network and road works.

Scrutiny Management Panel is therefore asked to consider allocating the above topic

The Housing & Social Care Scrutiny Panel (HSC)

Update

On 28 January 2019 the Scrutiny Management Panel allocated the following reviews to the Housing & Social Care Scrutiny Panel's work programme:

The provision of temporary accommodation

This review was completed on 30 July and was considered by Cabinet on 9 September where it was well received and the recommendations within the Director's response report were supported (which broadly supported the Panel recommendations).

A review of the experiences gathered after the decant of residents from tower blocks This review started on 30 July.

Scrutiny Management Panel is asked to note this update

Economic Development Culture and Leisure Scrutiny Panel (EDCL)

Update

The panel signed off the review of the Portsmouth International Port on 22 August and was considered by Cabinet on 9 September where it was well received and the recommendations within the Director's response report were supported (which broadly supported the Panel recommendations).

Suggested Topics for Review

The Panel has asked that SMP consider the following 4 topics for allocation, in this priority order:

1. Heritage Regeneration

This was seen as the highest area of priority for scrutiny. PCC has recently started a conversation with Historic England to develop a Heritage Strategy, and the city has already started work to make some of its heritage stock economically sustainable, such as the Hotwalls Studios. Portsmouth is ranked as 32nd out of 325 local authorities in England for heritage buildings in the RSA Heritage Index, but we know that our heritage stock presents opportunities in terms of maximising usage and that 17 properties in Portsmouth remain on the Historic England Heritage at Risk register. Other authorities such as Nottingham have recently introduced Heritage Strategies, or Heritage-led regeneration policies, such as Derby. A range of stakeholders from relevant organisations could present as witnesses and scrutiny of this area could highlight further development for economic and cultural benefit.

2. Access to Culture and Leisure

The panel were conscious of the social value of this area. For many years the City Council has supported low income families to access Culture and Leisure opportunities through schemes such as the Leisure Card and the BH Live experience. PCC is conscious of the social importance of keeping public libraries accessible through initiatives such as removing fines, keeping museums free, and offering free events in the city. The Director of Culture, Leisure & Regulatory Services has clear evidence from Experian MOSAIC research into our cultural audiences that price sensitivity is key for many of our lower-income residents, and recent national research suggests that access to culture and leisure can have

significant social and economic impacts and offer life opportunities to our most vulnerable communities.

3. Food Economy

The panel was interested in this area covered not only by Regulatory Services but also the regeneration opportunities. Effective food safety regulation in Portsmouth provides essential protections from risks posed by day-to-day business operations. It protects residents and visitors from unsafe food, from public and occupational health risks and from fraudulent practices and criminal activity in the food sector. Good regulation also supports the growth and prosperity of food businesses in the City. It can reduce business costs by clarifying legal requirements, avoiding 'gold-plating' and providing accessible advice about compliance to mitigate risks. The service aims to give business confidence in its regulatory decisions and in so doing enables business to plan future investment decisions. By supporting local and national businesses to grow the service also contributes to improved community economic well-being within the City by supporting new start-ups which provide local employment and a wide choice of safe food outlets. The port health function contributes to supporting businesses that trade food internationally. Although such benefits are difficult to quantify, effective food safety regulation significantly contributes to creating conditions favourable to the growth of local economic activity and enterprise.

4. Visitor Economy

Whilst there had been some mention of this in the Port review the panel recognise that tourism is a key part of Portsmouth's economy, generating income in excess of £600 million annually and supporting around 13,000 jobs. As a destination Portsmouth is relatively unique in that Portsmouth City Council owns or manages a large amount of the tourism product - e.g. the International Port, Emirates Spinnaker Tower, The Pyramids, the Seafront, six museums, major events, historic defences and much more. As such, PCC has continued to support tourism through challenging times when other UK cities have withdrawn funding. New opportunities and challenges are presenting themselves, notably the significant development of the cruise offer at the Port, Brexit, sustainability and air quality, the growth in local creative industries and the importance of cultural tourism and the changing digital landscape.

Scrutiny Management Panel is therefore asked to consider allocating the above topics in the priority order shown

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