

SCRUTINY MANAGEMENT PANEL

Minutes of the meeting of the Scrutiny Management Panel held virtually on Friday, 29 January 2021 at 12.30 pm.

Present

Councillor Jason Fazackarley (in the Chair)

Councillors Leo Madden
Simon Boshier
Jo Hooper
Scott Payter-Harris
Will Purvis
Tom Wood

Officers

Mr Chris Ward, Director of Finance and s151 Officer

1. Apologies for Absence (AI 1)

The Chair welcomed everyone to the meeting and explained that the Panel are meeting virtually in response to the limitations placed on governance by the COVID-19 pandemic. The City Solicitor has advised that in accordance with section 78 of the Coronavirus Act 2020, this meeting will be run by reference to the model Standing Orders as set out in The Local Authorities (Coronavirus) (Flexibility of Local Authority Meetings) Regulations 2020 No 392.

He advised everyone that the meeting was being livestreamed.

Apologies for absence were received on behalf of Councillor Ben Dowling. Councillor Tom Wood deputised for him.

2. Declarations of Members' Interests (AI 2)

There were no declarations of members' interests.

3. Minutes of the meeting held on 9 November 2020 (AI 3)

RESOLVED that the minutes of the meeting held on 9 November 2020 be confirmed and signed by the Chair as a correct record.

4. Presentation on Portsmouth City Council Budget and Council Tax 2021/22 and Medium Term Forecast 2022/23 to 2024/25 (AI 4)

(TAKE IN EXECUTIVE SUMMARY IN THE BUDGET PAPERS published online as part of the Cabinet publication for 2 February meeting)

Mr Chris Ward introduced the item saying this was an opportunity for members of the Panel to ask questions on the proposals in the budget prior to it going to Cabinet and Council.

He apologised that it had not been possible to produce a dedicated presentation for this Panel owing to time pressures but intended to show the Executive Summary from the budget papers on a shared screen which he hoped would compensate for this.

He advised that the budget had proved to be quite complex this year for a number of reasons; because of the way that items had been treated and because of the Covid 19 pandemic. In many cases, PCC had received money from government this year (which could be spread over a 3 year period) but the costs would not be incurred until next year.

Mr Ward first set the context of the budget stating that since 2011/12, the Council will have made £103m in savings (48% of controllable spend). Adult and Children's Social Care represented in excess of 50% of controllable spend and experience the greatest cost pressures and have historically received significant protection from savings. The Council's Medium Term Financial Strategy seeks to maximise savings through income generation, economic regeneration and efficiency measures.

Mr Ward then outlined the results of the budget consultation saying that there had been 1500 responses and 79% of those supported an increase in Council Tax as opposed to cuts in services. He also listed the 3 most selected priority investment opportunities.

Revised Budget 2020/21

Mr Ward gave details of the balanced budget for 2020/21 accommodating the expected full Covid-19 impact. He said costs and income losses directly related to Covid-19 amounted to £33.1m excluding Council Tax and Business rates. £12.4m had been set aside to fund Covid-19 costs for the following 2 years. The overall forecast underspend of £2.9m is being used to support the Budget for 2021/22.

Mr Ward said that there had been a substantial loss of income to PCC including lost revenue from the international port, parking charges, museum entry fees etc. Government funding had been made in separate tranches to provide recompense for the effects of Covid-19 but there had been no advance detail of when or how much would be received making it difficult to plan. There is still much uncertainty as the effects of the pandemic are ongoing.

Budget 2021/22

Mr Ward then outlined the main budget proposals which included £1.3m savings - of which £0.3m had been identified to provide mainstream funding for Food Waste Recycling.

He provided details of the Local Government Finance Settlement and included the areas where this had provided substantial relief.

The proposals also included

- Provision of additional funding to Adult Social Care of £2.8m
- Replenishment of the Medium Term Resource Strategy (MTRS) Reserve of £3m.
- An increase in Council Tax of 4.99% (in accordance with the budget consultation) 3% of which it was proposed would be pass-ported directly to Adult Social Care.

Mr Ward advised that it was likely that there would be a reduction in the Council Tax Base (income) due mainly to additional Council Tax Support payments being made by PCC and losses on collection, but the government had made a grant of £1.7m to compensate for this.

Further proposals included

- A revenue contribution to Capital of £4.2m to supplement the Capital Resources available to the 2021/22 Capital Programme.
- A withdrawal from General Reserves of £2m (noting the underspend of £2.9m in the previous year.)

Future Forecast - 2022/23 to 2024/25

Mr Ward advised that all the assumptions previously made had had to be revised and that there had been unprecedented uncertainty to contend with. The forecast was therefore subject to variation by + / - £3m.

He explained that it is proposed that savings are phased evenly at £1m over the 3 years beyond 2021/22 and that General Reserves of around £19m - assuming the £1m savings are achieved - are maintained. This is crucial and ensures a balanced approach to savings.

Capital Programme 2020/21 to 2025/26

Mr Ward advised the new proposed Capital Investment figure and said this includes external funding which will need council participation in order to lever in the money. He then listed the key investments proposed.

In conclusion, Mr Ward said that the Council's financial position was sound, with a relatively modest forecast deficit of £3m and a reasonable amount of money in General Reserves - assuming the proposals were approved.

In response to a request for further details about the proposed redevelopment at Cosham listed in the proposed Capital Programme, Mr Ward said he believed work was in the early stages. He had limited knowledge of what was being planned but believed consideration was being given to include additional affordable housing, some community facilities and shared health facilities. He believed that there was a possibility that the Fire Service would move to the old PCMI site and that there would also be some police presence (not a police station) on the site.

The Chair of the Panel, Councillor Fazackarley thanked Mr Ward for his summary of the budget and said there was no formal decision for the Panel to take. Having sought the views of the Panel, the Chair advised that the Panel did not wish to forward any comment to Cabinet.

The Chair thanked everyone for their attendance.

The meeting concluded at 1.20 pm.

Councillor Simon Boshier
Chair (at time of the approval of the minutes).