



NOTICE OF MEETING

SCRUTINY MANAGEMENT PANEL

WEDNESDAY, 26 JULY 2023 AT 11.00 AM

COUNCIL CHAMBER - THE GUILDHALL, PORTSMOUTH

Telephone enquiries to James Harris on 023 9260 6065

Email: james.harris@portsmouthcc.gov.uk

If any member of the public wishing to attend the meeting has access requirements, please notify the contact named above.

Membership

Councillor Cal Corkery (Chair)
Councillor Leo Madden (Vice-Chair)
Councillor Matthew Atkins
Councillor Peter Candlish
Councillor Lewis Gosling

Councillor Graham Heaney
Councillor Abdul Kadir
Councillor Emily Strudwick
Councillor Mary Vallely

Standing Deputies

Councillor Chris Attwell
Councillor Simon Boshier
Councillor Stuart Brown
Councillor George Fielding

Councillor Charlotte Gerada
Councillor Mark Jeffery
Councillor George Madgwick
Councillor Daniel Wemyss

(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 meeting held on 17 February 2023 (Pages 3 - 16)

RECOMMENDED that the minutes of the meeting held on 17 February 2023 be confirmed and signed by the Chair as a correct record.

4 Scrutiny Work Programme (Pages 17 - 26)

Purpose

The purpose of this report is to update the Scrutiny Management Panel on the work of the themed scrutiny panels, receive suggestions for topics to include within the council's scrutiny work programme and agree the resulting updated scrutiny work programme.

Recommendations

- (i) That any updates received from the themed scrutiny panel chairs at the meeting be NOTED; and
- (ii) the council's scrutiny work programme for the themed scrutiny panels be populated and updated as appropriate with any topics agreed at the meeting by the Scrutiny Management Panel.

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SCRUTINY MANAGEMENT PANEL

Minutes of the meeting of the Scrutiny Management Panel held on Friday, 17 February 2023 at 3.15 pm in the Council Chamber, Portsmouth Guildhall.

Present

Councillor Matthew Atkins (in the Chair)

Councillors Graham Heaney
Dave Ashmore
Mark Jeffery
Leo Madden

6. Apologies for Absence (AI 1)

Apologies were received from Cllr Abdul Kadir, Cllr Gemma New and Cllr Scott Payter-Harris.

7. Declarations of Members' Interests (AI 2)

There were no declarations of interest.

8. Minutes of the meeting held on 16 January 2023 (AI 3)

The minutes of the meeting held on 16 January 2023 were confirmed and signed as an accurate record.

9. Overview of Portsmouth City Council Budget and Council Tax 2023/24 and Medium Term Budget Forecast 2024/25 to 2026/27 (AI 4)

(TAKE IN A PRESENTATION ON THE BUDGET)

The S.151 Officer introduced the item and explained that the meeting was an opportunity for members of the panel to ask questions on the proposals in the budget prior to it being considered by Cabinet and recommended to Council for approval. A copy of the presentation is included as an appendix to these minutes.

In response to questions raised by the panel the S.151 Officer:

- Explained that whilst it could appear that local council tax support cases had been slowly increasing following the Covid-19 pandemic, the increase of single person discounts was part of a normal cycle. These discounts were regularly reviewed, at which time the number usually fell before increasing and then falling again at the following review.
- For budgeting purposes, the Council's inflation pressure for 2022/23 was 9.6% and the budget had been uplifted by 9.6% accordingly. For 2023/24 the prediction was inflation to be an average of 5.5%, starting

higher in the year and then falling. Budgets would therefore be uplifted by 5.5%, on top of the 9.6% for 2022/23. Whilst inflation was predicted to decrease, it was important to note that this reflected a slowdown of the increase in inflation, rather than a reversal of the high inflation rates seen in 2022/23.

- The contingency included within the budget was not specifically allocated but had been based upon the predicted total cost of a worst case scenario.
- Whilst the replacement of 1,666 black bins seemed high, this figure had been based upon historic actuals.
- In respect of high cost care packages, once a certain threshold had been reached and became classed as healthcare needs, any additional costs became the responsibility of the NHS and the costs of the care package was then shared. The increase above this threshold therefore did not impact upon the council.
- Whilst the future of the council continuing to be based in the civic offices was unknown, the CISCO IT infrastructure costs contained within the Capital Programme was needed due to this equipment reaching end of life. The equipment could be relocated though, so these costs were not inextricably linked to the civic office building.
- The purchase of Farlington Playing Fields had been a strategic acquisition in order to protect the site. In respect of the council's asset register, a new Asset Management Strategy would be drafted in 2023/24 to ensure that the council had the right assets to deliver its priorities.
- The proposed changes to adult social care funding posed a risk, as uncertainty remained on what the terms and conditions would be.

The Chair thanked the S.151 Officer for his summary of the budget and the panel wished to place on record its gratitude to his and the finance team's professionalism and hard work.

Having sought the views of the panel, the Chair advised that the panel did not wish to forward any comments to Cabinet.

The meeting concluded at 4.54 pm.

Councillor Matthew Atkins
Chair

Minute Item 9



Portsmouth City Council

**Budget & Council Tax 2023/24 &
Medium Term Forecast**

**Capital Programme
2022/23 – 2027/28**

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

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Part 1

Headlines

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Headlines

- BUDGET PRESSURES**
 - £24m (14% of Net Budget)
- SAVINGS**
 - £2m (1.6% Controllable Spend)
- COUNCIL TAX**
 - 4.99% Increase (2.0% for Adult Social Care)
- CAPITAL PROGRAMME**
 - £61.3m of New Capital Investment
- FORECAST**
 - Balanced over the next 3 Years (2024/25 to 2026/27) +/- £5m
 - No Savings Required for 2024/25

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Part 1

Financial Context

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Contextual Information



- Since 2011/12 - £106m savings (49% of controllable spend)
- Adult and Children's Social Care represent > 50% of controllable spending
- Council Tax:
 - PCC is a low tax authority (£9.0m or 9.1% less than average of statistical near neighbours)
 - PCC has a low tax base (i.e. Band B is the Portsmouth average vs. Band D nationally)
 - In combination resulting in overall low Council Tax income
- Highest levels of inflation in 40 years (11.1%)
- Covid pandemic continues to impact on the Budget
- Budget Pressures in Adult & Children's Social Care remain the primary drivers of cost
- Inflation + Demand + Covid = Budget Challenge

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Part 1

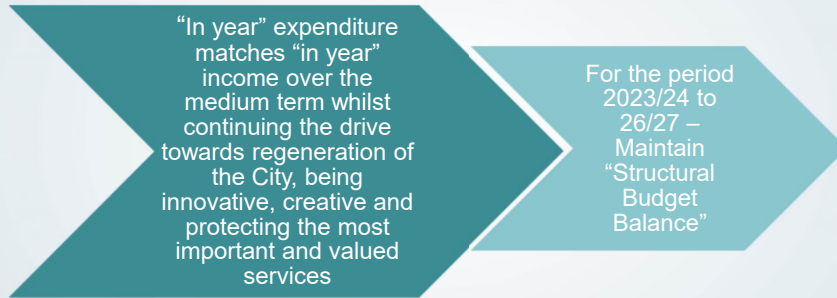
Financial Strategy

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The Plan - Overall Aim



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Future Years’ Savings Requirements 2023/24 to 2026/27

“Structural Balance” (but +/- £5m)

2023/24

2024/25

2025/26

2026/27

Balanced

+/-
£1.67m

+/-
£1.67m

+/-
£1.67m



- Forecast for 2025/26 onwards - Post Overhaul of Local Government Funding

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Part 2

Revised Budget 2022/23

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Revised Budget 2022/23 - £174.4m (net)

Key Changes

Budget Increase of 0.5%
 Increased Spending is offset by Increased Funding
 Budget Accommodates the following:

o Pay award	£3.8m
o Energy cost inflation	£3.6m
o Covid Costs / Losses Income (contained in Corporate Contingency)	£2.9m
o Portico (Inflation, Business Growth and Customs Control delays)	£2.4m
o Children, Families & Education (Home to School Transport, Placements)	£1.7m
o Adult Social Care (Domiciliary and Nursing Care packages)	£1.2m
o Housing (Temporary Accommodation)	£0.4m
o Revenue Contribution to Capital Programme	£0.75m
o Interest Income from Investments	£3.8m

Overall Position

- Balanced:
 - Overall Net Increase accommodated by Corporate Contingency Provision
 - No change in use of General Reserves vs. Budget

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Part 3

Budget 2023/24

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Budget Consultation



- 79% of respondents support an increase in Council Tax as opposed to cuts in Services
- The most popular response (30% of respondents) were in support of a 3% Council Tax increase for general purposes
- 76% of respondents supported a further Council Tax increase for ASC with a majority (40%) supporting a 2% increase
- Service Priorities:
 1. Ensuring older people and vulnerable adults are looked after and supported to live independently
 2. Collecting bins and keeping the city clean
 3. Keeping children safe and families together
- Capital Investment Priorities:
 1. Building new homes in the city, including flats offering special care for elderly residents (47%)
 2. Building more classrooms and specialist provisions for children with additional needs (37%)
 3. Improving facilities at Portsmouth International Port to increase the money it generates to help protect local services (34%)
 4. Creating better facilities for sustainable transport such as cycling and walking (33%)

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Local Government Finance Settlement 2023/24

Funding 2023/24

- An overall real increase in Grant Funding of £6.4m:
 - Increase in Social Care Grants **£7.9m**
 - Reduction in all other Grants **£1.5m**
- Business Rate Retention is inflation linked - underlying increase of **£5.5m or 9.9%**
- No indicative Settlement for 2024/25 although a "Local Government Finance Policy Statement" has been published

Council Tax 2023/24 (47% of Funding Base)

- General Increase (**referendum threshold**) – 3.0% (but September CPI 10.1%)
- Social Care Precept – 2.0%
- Police & Crime Commissioner - £15
- H&IOW FRA – £5

Future of Local Government Funding

- Fair Funding Review delayed till 2025/26 at earliest – New Formula Funding model distributed on "Relative Need" (PCC £63.9m) – Winners & Losers
- Business Rate Retention & "Reset" delayed till 2025/26 – Re-distribution of current growth (PCC growth £11m) – Winners & Losers

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Council Tax Proposal - 2023/24

Council Tax Context

- Low taxing authority – 9.1% below average amounting to £9.0m
- Average Council Tax is Band B - £1,221.47.p.a.
- Only 57% of all households pay full Council Tax (all others receive some form of exemption, discount or support)

PCC Council Tax Proposal 2023/24

- Tax Level:
 - General Increase in Council Tax of 2.99% = £2.7m (70p per week for Band B Taxpayer)
 - Increase for Social Care of 2.0% = £1.8m (47p per week for Band B Taxpayer) - *Alternative: ASC to find £902,700 for each 1% reduction*
- Tax Base:
 - Additional 270.9 Band D equivalents = £0.4m

PCC, HPCC, H&IOW FRA Council Tax Proposals

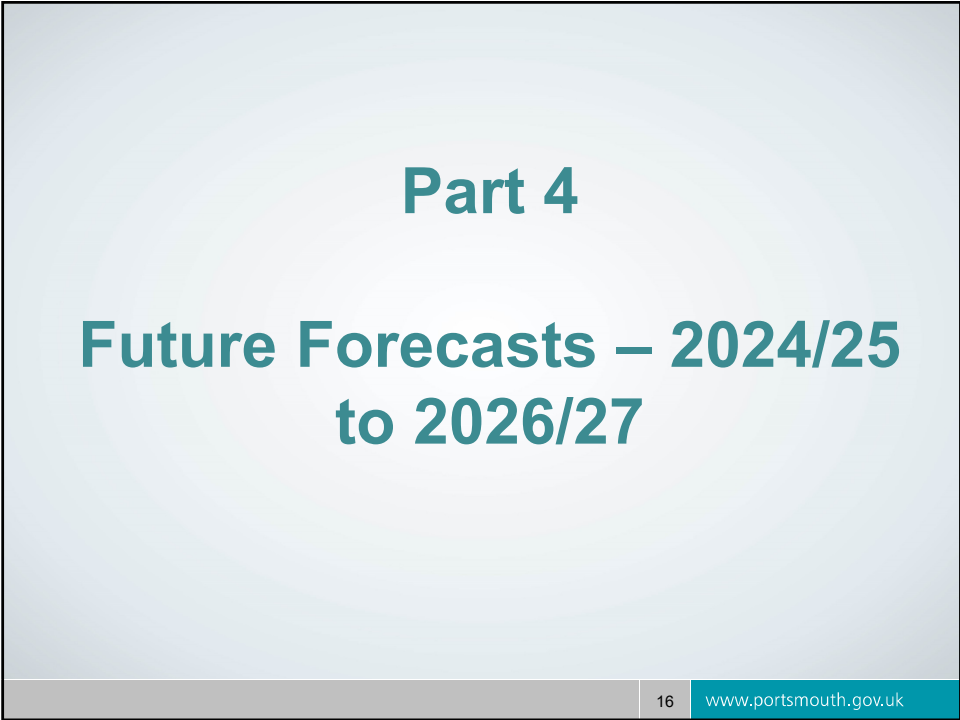
• PCC	4.99%
• HPCC	6.34%
• H&IOW FRA	6.63%
• Total Portsmouth Resident	5.23%

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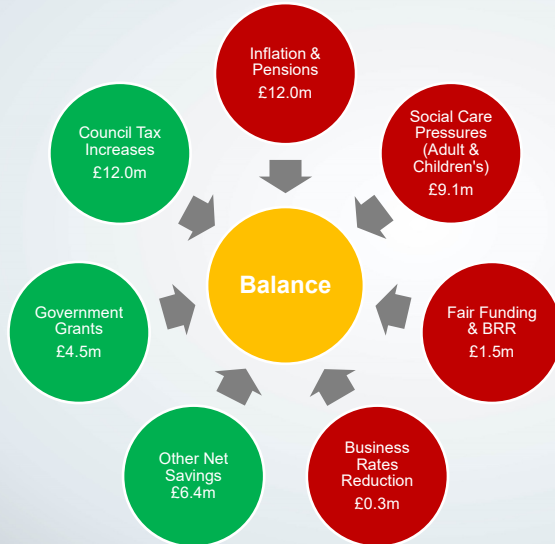


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The Next 3 Years – 2024/25 to 2026/27



- Inflation / Demand
- Fair Funding Review
- Business Rate "Reset"

+/- £5m

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Part 5

Capital Programme


2022/23 to 2027/28

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Capital Programme 2022/23 to 2027/28



Capital Strategy

- Statutory Obligations
- Continuity and sustainability of current services
- Enhancing the Environment
- Regeneration & Clean Economic Growth



Capital Resources Available **£61.3m**

- Corporate Capital Resources **£15.3m**
 - Includes Revenue Contributions, CIL, Capital Receipts and Non ring-fenced Capital Grants
- Borrowing available for Invest to Save Schemes **£22.9m**
 - Requires high degree of certainty that income / savings > debt costs
- Reserves & Contributions **£23.1m**
 - Specific Grants and external contributions

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Capital Investment Proposals

Capital Investment
(Appendix D)
£61.3m

- **Environmental Initiatives and Clean Economic Growth** **£39.2m**
- **Economic Growth** **£4.7m**
- **Essential Maintenance of Operational Buildings** **£7.8m**
- **Transport** **£1.3m**

- **Specific Investments include:**
 - Shore Power (Port) - £23m
 - Anaerobic Digestion Plant - £13.5m
 - Twin Stream Recycling - £2.5m
 - City Centre North Regeneration - £4.5m
 - Mountbatten Centre Roof - £6.8m
 - Landlords Maintenance - £1.4m
 - Border Control Post - £4.0m
 - SEN School Places - £1.5m

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“Capital Gap”

**Funding
vs.
Aspirations and
Obligations**



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Part 6

Summary

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Summary

- £2.0m Savings to help meet pressure associated with extraordinary inflation
- Balanced Budget
- Aligned with the MTFS & Budget Consultation
- Key risks – Inflation & Demand volatility (ASC / CSC)
- Future Funding uncertain
- Financial Health is sound

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Questions & Comments



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Agenda Item 4



Title of meeting: Scrutiny Management Panel

Date of meeting: 26 July 2023

Subject: Scrutiny Work Programme

Report by: Senior Local Democracy Officer

Wards affected: N/A

Key decision: No

Full Council decision: No

1. Purpose of report

- 1.1 To update the Scrutiny Management Panel on the work of the themed scrutiny panels, receive suggestions for topics to include within the council's scrutiny work programme and agree the resulting updated scrutiny work programme.

2. Recommendations

- (i) That any updates received from the themed scrutiny panel chairs at the meeting be NOTED; and
- (ii) the council's scrutiny work programme for the themed scrutiny panels be populated and updated as appropriate with any topics agreed at the meeting by the Scrutiny Management Panel.

3. Background

- 3.1 The Scrutiny Management Panel has a role to oversee the development of the scrutiny function and have overall responsibility for setting and monitoring standards for scrutiny.

- 3.2 Further, in respect of the scrutiny work programme, the Scrutiny Management Panel has overall management responsibility for the work programmes of the themed scrutiny panels including:

- Identification of topics that could be the subject of scrutiny enquiries in consultation with themed panels, partners and the public in order to prioritise and manage workloads and ensure that review topics are chosen that reflect the city's priorities and are focused on improvement.
- outputs from themed scrutiny panels

- monitoring of implementation of recommendations arising from completed scrutiny review

3.3 Updates from the themed scrutiny panels:

Economic Development, Culture & Leisure Scrutiny Panel

- 3.4 The report and recommendations in respect of the review into engagement with culture and leisure - widening social participation in Portsmouth were approved by Cabinet on 27 June 2023.

The panel met on 1 June 2023 to endorse the above report to Cabinet and to start considering future topics for the current municipal year.

The panel is due to meet on 20 July 2023 to agree future topics and these will be reported verbally at the meeting.

Education, Children and Young People Scrutiny Panel

- 3.5 The report and recommendations in respect of the review into school attendance with a focus on transitional Years 6 to 7 were considered by Cabinet on 27 June 2023 and the recommendations which could be agreed within budget were approved.

At a meeting held on 13 July 2023, the panel agreed to submit the following topic for inclusion into the council's scrutiny work programme for 2023/24:

- A review into education, employment and training opportunities for our care experienced young adults.

Housing and Social Care Scrutiny Panel

- 3.6 The report and recommendations in respect of the review of the provision of breaks/respite for carers, particularly those who care for someone with Dementia were approved by Cabinet on 27 June 2023.

At a meeting held on 13 July, the panel agreed to submit the following topic for inclusion into the council's scrutiny work programme for 2023/24:

- Review into the response of the Local Authority and Landlords in the city to the issue of damp and mould in social housing and private rented housing

Traffic, Environment & Community Safety Scrutiny Panel

3.7 The panel is continuing the topic of 'Reducing the Use of Pesticides on Council Land.' agreed by the Scrutiny Management Panel on 16 January 2023. The panel met on 13 March, 8 June and 13 July (with a meeting also scheduled for 25 July) to gather evidence and has agreed a site visit and a programme of meeting dates to conclude the review by November 2023.

4. Reasons for recommendations

4.1 The recommendations within this report have been drafted with the aim of supporting the Scrutiny Management Panel and the themed scrutiny panels in undertaking their respective roles.

5. Integrated impact assessment

5.1 This report does not require an Integrated Impact Assessment as there are no proposed changes to PCC's services, policies, or procedures included within the recommendations in this report.

6. Legal implications

6.1 There are no legal comments, the scope of the proposals is well with the remit of scrutiny and reflective of evidencing focussed and relevant overview.

7. Director of Finance's comments

7.1 There are no finance implications arising from the recommendations of this report. Any subsequent reports to cabinet following scrutiny reviews will be reviewed and comment provided separately.

Appendices:

Appendix 1 - Themed scrutiny panel draft work programme

Appendix 2 - Scrutiny topic selection flow chart (agreed by Scrutiny Management Panel on 16 January 2023)

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Portsmouth City Council Scrutiny Themed Panel Work Programme 2023/24

Economic Development, Culture & Leisure Scrutiny Panel					
Topic	Objective	Cabinet Member	Scrutiny Method	Date Added	Target Completion Date
Review into the protection and storage of heritage assets within the city.	The panel does not believe that this remains a priority topic and requests that it be removed from the work programme.	Cabinet Member for Culture, Leisure & Economic Development.		16.01.23	
Suggested topic(s) to be reported verbally at the meeting.					

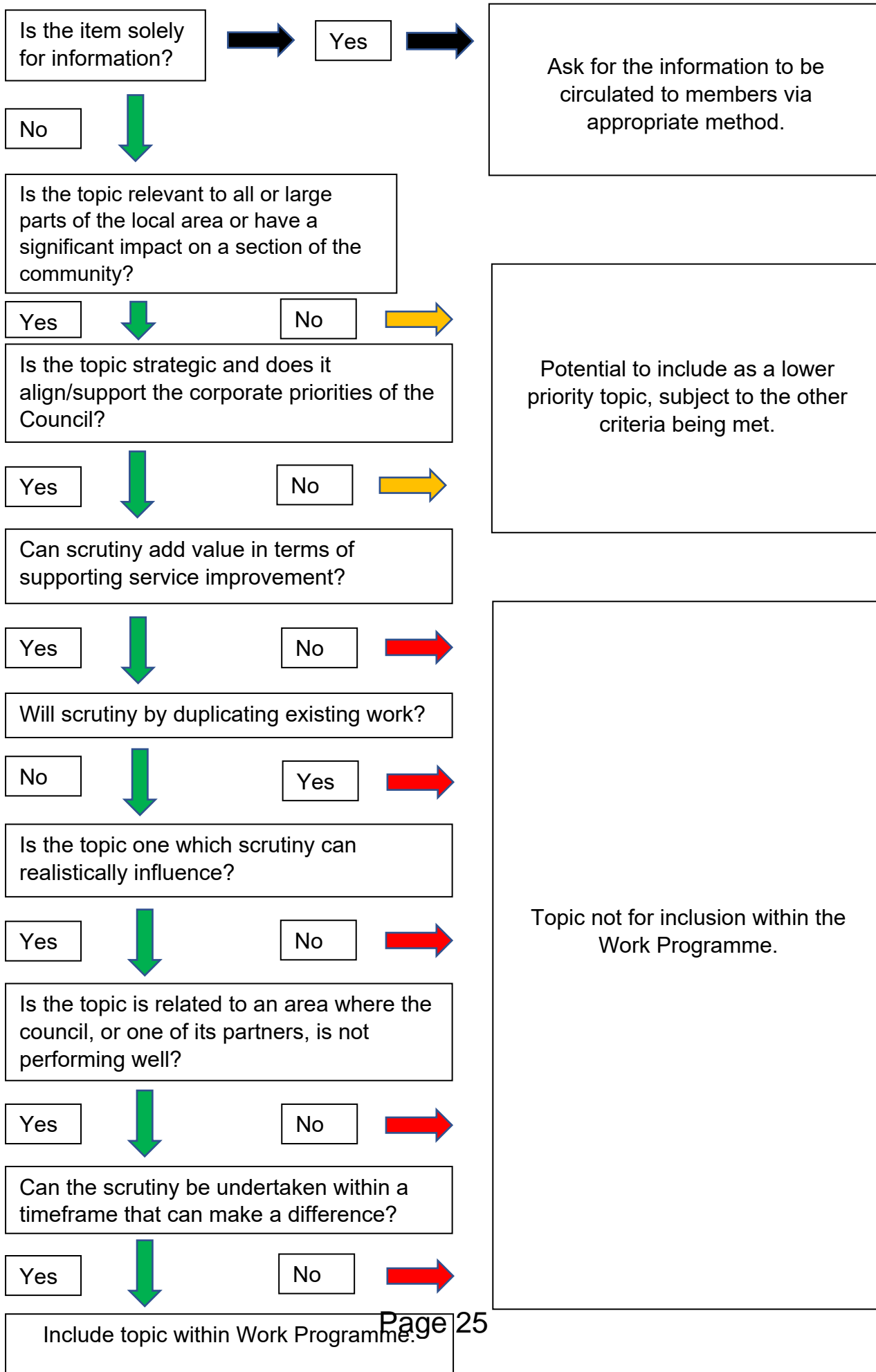
Education, Children & Young People Scrutiny Panel					
Topic	Objective	Cabinet Member	Scrutiny Method	Date Added	Target Completion Date
Review into out of area school placements.	The panel does not believe that this remains a priority topic and requests that it be removed from the work programme.	Cabinet Member for Children, Families and Education		16.01.23	
A review into education, employment and training opportunities for our care experienced young adults.	<ul style="list-style-type: none"> • Explore how we can support and enable more of our care experienced young people to access education, employment and training opportunities that meet their needs; • Review the current offer and the help and support care experienced young adults receive to help them access such opportunities; • Consider what more we could collectively do as a Council to create more opportunities; improve our offer to our children; and through this improve the education, employment and training outcomes for care experienced young adults. 	Cllr Suzy Horton, Cabinet Member for Children, Families & Education	Full Review		March 2024.

Housing & Social Care Scrutiny Panel					
Topic	Objective	Cabinet Member	Scrutiny Method	Date Added	Target Completion Date
Review into the response of the Local Authority and Landlords in the city to the issue of damp and mould in social housing and private rented housing.	<ul style="list-style-type: none"> • Seek to understand the cause and extent of any damp and mould in council owned and socially rented properties in the city • Examine the current approach that the council and landlords take in preventing and dealing with damp and mould in properties, with a view to making recommendations for improvements, if necessary. • Assess how effective the council's regulatory framework is in addressing damp and mould issues, with a view to making recommendations for improvements, if necessary 	Cllr Darren Sanders, Cabinet Member for Housing & Tackling Homelessness.	Full Review		March 2024

Traffic, Environment & Community Safety Scrutiny Panel					
Topic	Objective	Cabinet Member	Scrutiny Method	Date Added	Target Completion Date
Reducing the Use of Pesticides on Council Land.	To evaluate the council's delivery of a phased withdrawal from the use of all pesticides, including Glyphosate, over a period of three years	Cabinet Member for Transport Cabinet Member for Housing & Tackling Homelessness Cabinet Member for Culture, Leisure & Economic Development	Full Review with site visit.	16/01/23	December 2023

Scrutiny Topic Selection Flowchart

Appendix 2



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