



NOTICE OF MEETING

CABINET

TUESDAY, 11 FEBRUARY 2025 AT 2.00 PM

COUNCIL CHAMBER - THE GUILDHALL, PORTSMOUTH

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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 Steve Pitt (Chair), Councillor Dave Ashmore (Cabinet Member), Councillor Chris Attwell (Cabinet Member), Councillor Kimberly Barrett (Cabinet Member), Councillor Peter Candlish (Cabinet Member), Councillor Lee Hunt (Cabinet Member), Councillor Hugh Mason (Cabinet Member) and Councillor Matthew Winnington (Cabinet Member)
Councillor Darren Sanders (Vice-Chair)

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

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AGENDA

- 1 Apologies for Absence**
- 2 Declarations of Interests**
- 3 Record of Previous Decision Meetings - 26 November 2024 and 8 January 2025 (Pages 11 - 22)**

Copies of the records of the previous decisions taken at Cabinet on 26 November 2024 and 8 January 2025 are attached.

- 4 Appointment to an Outside Organisation (Pages 23 - 42)**

Purpose

To agree the appointment of a deputy member for the Partnership for South Hampshire Overview & Scrutiny Committee.

RECOMMENDED that the Cabinet agrees the appointment of a deputy to the Partnership for South Hampshire Overview & Scrutiny Committee.

5 Portsmouth Enhanced Portsmouth - Forward Plan (Pages 43 - 62)

Purpose

1. To update Cabinet on the progress of the Portsmouth Enhanced Partnership and to seek approval for the Forward Plan.
2. To accept additional Department of Transport (DfT) funding for the 2025/2026 financial year comprising of £2,218,898 Capital, £2,487,250 revenue (including £63,000 capacity and capability funding) plus Local Authority Bus Service Operators Grant: £84,784.

RECOMMENDED that the Cabinet

- 1. Notes the progress of the Portsmouth Enhanced Partnership and Scheme;**
- 2. Approves the Portsmouth Enhanced Partnership Forward Plan;**
- 3. Accepts additional DfT Funding for the 2025/2026 financial year as set out in paragraph 5.2;**
- 4. Delegates authority to the Assistant Director of Transport to make minor amendments to the plan in consultation with the Enhanced Partnership Board and Cabinet Member for Transport.**

6 Local Development Scheme (Pages 63 - 82)

Purpose

To introduce the updated Local Development Scheme (LDS), which sets out the timetable for the preparation of development plan documents in Portsmouth.

RECOMMENDED that the Cabinet resolve as the Local Planning Authority that the updated LDS set out in Appendix 1 of this report is approved and to have effect from 12 February 2025.

7 Treasury Management Mid-Year Review 2024-2025 (Pages 83 - 94)

Purpose

1. To inform members and the wider community of the Council's Treasury Management position, i.e. its borrowing and cash investments at 30 September 2024 and of the risks attached to that position.
2. Whilst the Council has a portfolio of investment properties and some equity shares which were acquired through the capital programme, these do not in themselves form part of the treasury management function.

RECOMMENDED that the Cabinet note:

- 1. That the Council's Treasury Management activities have remained within the Treasury Management Policy 2024/25 in the period up to 30 September 2024.**
- 2. The actual Treasury Management indicators at 30 September 2024 as set out in Appendix A.**

3. That the report goes to Full Council on 25 February 2025.

8 **Portsmouth City Council - Budget & Council Tax 2025/26, Medium Term Budget Forecast 2026/27 to 2028/29 & Capital Strategy 2025/2026 to 2034/2035 (Pages 95 - 254)**

Purpose

1. The primary purpose of this report is to set the Council's overall Budget for the forthcoming year 2025/26 and the associated level of Council Tax necessary to fund that Budget.
2. The report makes recommendations on the level of Council spending for 2025/26 and the level of Council Tax in the context of the Council's Medium Term Financial Strategy, with its stated aim as follows:

OVERALL AIM

"In year" expenditure matches "in year" income over the medium term whilst continuing the drive towards regeneration of the City, being innovative, creative and protecting the most important and valued services.

3. The recommended Budget for 2025/26 has been prepared based on the following:
 - The requirement to meet savings amounting to £2.0m to provide some mitigation against the unanticipated additional costs of Social Care and Temporary Accommodation being driven by extraordinary levels of inflation and service demand in those areas
 - An increase in the level of Council Tax for 2025/26 for general purposes of 2.99%
 - The flexibility to increase the level of Council Tax for an "Adult Social Care Precept", within the limits set by Central Government at 2.0%, and the direct passporting of that additional funding to Adult Social Care.
4. This report also provides a comprehensive revision of the Council's rolling 3 Year Forward Financial Forecast for the new period ending 2028/29 (i.e. compared to the previous forecast ending 2027/28).
5. The new forecast considers the future outlook for both spending and funding, and in that context, wider recommendations are made regarding the levels of reserves to be maintained and additional contributions to the Capital Programme in order to meet the Council's needs and aspirations for the City, as well as maintaining the Council's overall financial resilience throughout this uncertain period.
6. This report sets out the following:
 - a) The unexpected cost pressures in Social Care and Housing in the current year and how that has affected the financial position of the Council in 2025/26 and beyond
 - b) A summary of the Medium-Term Financial Strategy for achieving the necessary savings
 - c) The revised Revenue Budget and Cash Limits for the current year
 - d) The Local Government Finance Settlement for 2025/26
 - e) The Business Rate income for 2025/26 and future years
 - f) The Council Tax base and recommended Council Tax for 2025/26
 - g) The forecast Collection Fund balance as at 31 March 2025 for both Council Tax and Business Rates

- h) The detailed indicative savings (Appendix C) that could be made by each Portfolio / Committee in meeting its overall savings amount to provide the Council with the assurance necessary to approve the recommended savings amount for each Portfolio / Committee
- i) The proposed Revenue Budget and Cash Limits for 2025/26
- j) The forecast Revenue Budgets for 2026/27, 2027/28 and 2028/29
- k) Estimated General Reserves over the period 2024/25 to 2028/29
- l) The Medium-Term Resource Strategy (MTRS) Reserve, its financial position and proposed use to achieve cashable savings
- m) The proposed Capital Strategy for 2025/26
- n) The proposed Capital Programme and "new starts" (including the Housing Investment Capital Programme) for 2025/26 and future years in accordance with the Capital Strategy
- o) The Statement of the S.151 Officer on the robustness of the budget in compliance with the requirements of the Local Government Act 2003.

RECOMMENDED that 1) the following be approved in respect of the Council's Budget:

- 1. The revised Revenue Estimates for the financial year 2024/25 and the Revenue Estimates for the financial year 2025/26 as set out in the General Fund Summary (Appendix A)**
- 2. The Portfolio Cash Limits for the Revised Budget for 2024/25 and the Budget 2025/26 incorporating the savings amounts for each Portfolio and amounting to £2.0m as set out in Sections 7 and 11, respectively**
- 3. To maintain the overall financial resilience of the Council, any underspends arising at the year-end (outside of those made by Portfolios) be transferred either to Capital Resources to fund future Capital Programmes, the MTRS Reserve or General Reserves with the level of each transfer to be determined by the S.151 Officer**
- 4. Any variation to the Council's funding arising from the final Local Government Finance Settlement be accommodated by a transfer to or from General Reserves**
- 5. The S.151 Officer be given delegated authority to make any necessary adjustments to Cash Limits within the overall approved Budget and Budget Forecasts**
- 6. That the level of Council Tax be increased by 2.99% for general purposes in accordance with the referendum threshold^[1] for 2025/26 announced by Government (as calculated in recommendation 3.4 (d))**
- 7. That the level of Council Tax be increased by a further 2.0% beyond the referendum threshold (as calculated in recommendation 3.4 (d)) to take advantage of the flexibility offered by Government to implement a "Social Care Precept", and that in accordance with the conditions of that flexibility, the full amount of the associated sum generated of £2,054,500 is passported direct to Adult Social Care**
- 8. Managers be authorised to incur routine expenditure against the Cash Limits for 2025/26 as set out in Section 11**
- 9. That a minimum savings requirement of £3m for 2025/26 be set at this stage but that this is kept under review, pending any significant impact on the Council's future Forecast that may arise during 2025/26**
- 10. That the S.151 Officer be given delegated authority to make transfers to and from reserves to ensure that they are maintained as necessary and in particular, adjusted when reserves are no longer required or need to be**

replenished

11. The minimum level of General Reserves as at 31 March 2026 be maintained at £10.0m to reflect the known and expected budget and financial risks to the Council
12. The Revised Capital Programme 2024/25 to 2029/30 attached at Appendix E which includes all additions, deletions and amendments for slippage and re-phasing
13. The S.151 Officer be given delegated authority to determine how each source of finance is used to fund the overall Capital Programme and to alter the overall mix of financing, as necessary, to maximise the flexibility of capital resources used and minimise the ongoing costs of borrowing to the Council
14. That the S.151 Officer in consultation with the Leader of the Council be given delegated authority to release capital resources held back for any contingent items that might arise, and for any match funding requirements that may be required of the City Council in order to secure additional external capital funding (e.g. bids for funding from Government or any other external source)
15. Subject to a satisfactory financial appraisal approved by the S.151 Officer, the schemes described in Appendix D be reflected within the recommended Capital Programme 2024/25 to 2029/30
16. Subject to a satisfactory financial appraisal approved by the S.151 Officer, that delegated authority to borrow up to £15m per year be granted in order that the Council can enter into transactions in an efficient and timely fashion and avoid the risk of lost opportunities which may be of a time critical nature
17. The Prudential Indicators described set out in Appendix F be approved
18. Part 1 of the Capital Strategy (Capital Expenditure and Aspirations) set out in Appendix G be approved.
19. Part 2 of the Capital Strategy (Borrowing and Investing) set out in Appendix G be approved.
20. Members have had regard for the Statement of the S.151 Officer in accordance with the Local Government Act 2003 as set out in Section 16.

RECOMMENDED that 2) the following be noted in respect of the Council's Revenue Budget and Capital Programme:

1. The Budget Consultation 2024 at Appendix H
2. The Revenue Estimates 2025/26 as set out in Appendix A have been prepared on the basis of a 2.0% tax increase for the "Social Care Precept" (amounting to £2,054,500) and that this is passported to Adult Social Care in order to provide for otherwise unfunded budget pressures
3. The decision on the amount at which to set the Adult Social Care precept will be critical for the Social Care and wider health system in the City; in the event that the additional flexibility of the "Social Care Precept" and associated 2.0% tax increase is not taken, then equivalent savings will need to be made in Adult Social Care in 2025/26
4. In general, any reduction to the proposed increase in the level of Council Tax for 2025/26 will require equivalent offsetting savings to be made for the Budget 2025/26 to be approved. Each 1% reduction requires additional savings of £1,027,300 to be made
5. The indicative savings proposals set out in Appendix C which are provided for the purpose of demonstrating to the Council that the Portfolio savings as recommended in paragraph 3.1 2) above, are robust and deliverable
6. The likely impact of savings as set out in Appendix C

7. That the responsibility of the Council is to approve the overall Budget and the associated cash limits of its Portfolios and Committees; it is not the responsibility of the Council to approve any individual savings within those Portfolios / Committees
8. That it is the responsibility of the individual Portfolio Holders (not Full Council) to approve the individual savings proposals and the Portfolio Holder can therefore, in response to any consultation, alter, amend or substitute any of the indicative savings proposal(s) set out in Appendix C with alternative proposal(s) amounting to the same value within their Portfolio
9. Managers will commence the implementation of the approved savings required and any necessary consultation process or notice process
10. The Revenue Forecast for 2026/27 to 2028/29 as set out in Section 12 and Appendix B
11. That, at this stage, the Council's Future Forecast for the 3 Year Period 2026/27 to 2028/29 is estimated to be a £9m Deficit; this is the Council's "central base case scenario" but due to the uncertainty associated with inflation, unavoidable cost pressures that may arise (particularly in Care Services), business rate appeals and the forthcoming overhaul of Local Government Funding, this could vary by +/- £6m
12. The MTRS Reserve held to fund the upfront costs associated with Spend to Save Schemes, Invest to Save Schemes and redundancies will hold an uncommitted balance of £4.8m and will only be replenished in future from an approval to the transfer of any underspends, contributions from the Revenue Budget or transfers from other reserves which may no longer be required
13. The Council's share of the Council Tax element of the Collection Fund surplus for 2024/25 is estimated to be £2,432,432
14. The Council's share of the Business Rate element of the Collection Fund surplus for 2024/25 is estimated to be £1,246,432
15. The Retained Business Rate income^[2] for 2025/26 is based on the estimated Business Rate element of the Collection Fund surplus as at March 2025, the Non Domestic Rates poundage for 2025/26 and estimated rateable values for 2025/26 and has been determined at £68,794,505
16. That Cabinet Members, in consultation with the S.151 Officer, have authority to vary Capital Schemes and their associated funding within or across Portfolios to manage any potential overspending or funding shortfall or to respond to emerging priorities
17. That Cabinet Members, in consultation with the S.151 Officer, have authority to vire funding between Portfolios (both Revenue and Capital Budgets) to manage any potential overspending or funding shortfall or to respond to emerging priorities
18. The City Council note that Prudential Borrowing can only be used as a source of capital finance for Invest to Save Schemes.

3) That the S.151 Officer has determined that the Council Tax base for the financial year 2025/26 will be 59,340.0 [item T in the formula in Section 31 B(1) of the Local Government Finance Act 1992, as amended (the "Act")].

4) That the following amounts below be now calculated by the Council for the financial year 2025/26 in accordance with Section 31 and Sections 34 to 36 of the Local Government Finance Act 1992:

(a)	£616,413,305	Being the aggregate of the amounts which the
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		Council estimates for the items set out in Section 31A(2) of the Act.
(b)	£508,555,734	Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
(c)	£107,857,571	Being the amount by which the aggregate at 3.4 (a) above exceeds the aggregate at 3.4 (b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. (Item R in the formula in Section 31B(1) of the Act.
(d)	£1,817.62	Being the amount at 3.4(c) above (Item R), all divided by Item 3.3 above (Item T), calculated by the Council, in accordance with Section 31B(1) of the Act, as the basic amount of its Council Tax for the year.

(e) Valuation Bands (Portsmouth City Council)

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
1,211.75	1,413.70	1,615.66	1,817.62	2,221.54	2,625.45	3,029.37	3,635.24

Being the amounts given by multiplying the amount at 3.4(d) above by the number which, in the proportion set out in Section 5 (1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in Valuation Band D, calculated by the Council, in accordance with Section 36 (1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings in different valuation bands.

5) That it be noted that for the financial year 2025/26, the Hampshire Police & Crime Commissioner is consulting upon the following amounts for the precept to be issued to the Council in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of the dwellings shown below:

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
183.64	214.25	244.85	275.46	336.67	397.89	459.10	550.92

Valuation Bands (Hampshire Police & Crime Commissioner)

6) That it be noted that for the financial year 2025/26, for Hampshire and Isle of Wight Fire and Rescue Authority will be recommended to consider that the following amounts for the precept issued to the Council in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of the dwellings shown below:

Valuation Bands (Hampshire and Isle of Wight Fire and Rescue Authority)

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
58.56	68.32	78.08	87.84	107.36	126.88	146.40	175.68

7) That having calculated the aggregate in each case of the amounts at 3.4(e), 3.5 and 3.6 above, the Council, in accordance with Sections 31A, 31B and 34 to 36 of the Local Government Finance Act 1992 as amended, hereby sets the following amounts as the amounts of Council Tax for the financial year 2025/26 for each of the categories of dwellings shown on the next page:

Valuation Bands (Total Council Tax)

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
1,453.95	1,696.27	1,938.59	2,180.92	2,665.57	3,150.22	3,634.87	4,361.84

8) The Council determines in accordance with Section 52ZB of the Local Government Finance Act 1992 that the Council's basic amount of Council Tax for 2025/26, which represents a 4.99% increase, is not excessive in accordance with the principles approved by the Secretary of State under Section 52ZC of the Act; and it be noted that:

- i. The 4.99% increase includes a 2.0% increase to support the delivery of Adult Social Care
- ii. As the billing authority, the Council has not been notified by a major precepting authority (the Hampshire Police & Crime Commissioner or the Hampshire and Isle of Wight Fire and Rescue Authority) that its relevant basic amount of Council Tax for 2025/26 is excessive and that the billing authority is not required to hold a referendum in accordance with Section 52ZK of the Local Government Finance Act 1992.

9) The S.151 Officer be given delegated authority to implement any variation to the overall level of Council Tax arising from the final notification of the Hampshire Police & Crime Commissioner and Hampshire and Isle of Wight Fire and Rescue Authority precepts.

^[1] Council Tax increases beyond the referendum threshold can only be implemented following a "Yes" vote in a local referendum

^[2] Includes Retained Business Rates £44,435,003, "Top Up" £6,819,876, a surplus on the Collection Fund of £1,246,432 plus

S.31 Grants of £16,293,194 for compensation due to national Government business rate relief initiatives

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