

AGENDA ITEM 7 - Portsmouth City Council Budget & Council Tax 2021/2022 & Medium Term Budget Forecast 2022/23 to 2024/25

Amendment to Cabinet recommendations attached.

Proposed by (Name) Councillor Stephen Morgan

Signed _____

Seconded by (Name) Councillor George Fielding

Signed _____

Amendment proposed by the Labour Group

Portsmouth City Council - Budget & Council Tax 2021/22 & Medium Term Budget Forecast 2022/23 to 2024/25

That the recommendations of the Cabinet of 02 February 2021 (Minute 12/21) on "Portsmouth City Council - Budget & Council Tax 2021/22 & Medium Term Budget Forecast 2022/23 to 2024/25" be amended as follows:

Recommendation 3.1 1) be amended to:

- 1) The revised Revenue Estimates for the financial year 2020/21 and the Revenue Estimates for the financial year 2021/22 as set out in the General Fund Summary (Appendix A amended) including the changes described in paragraph 22 below:

- 22) The following changes be made to Cash Limits for 2021/22 and future years as set out in the table below, but Members note that:

the responsibility of the City Council is to approve the overall Budget and the associated cash limits of its Portfolios and Committees; it is not the responsibility of the City Council to approve any individual savings or additions within those Portfolios/Committees, that responsibility is reserved for Cabinet Members. The budget savings and additions in the tables below are therefore indicative only.

i) Reductions to Revenue Estimates

Indicative Portfolio Savings Proposal	Impact on Level of Service & Service Outcomes	2021/22	2022/23 & Future Years
		£	£
Communities & Central Services Portfolio			
20% Reduction in Members Basic Allowance* and Special Responsibility Allowance*	No impact	(129,000)*	(129,000)*
Leader Portfolio			
Delete Leader's Initiatives	Fewer opportunities to celebrate success, engage and network with partner organisations and prospective investors in the City	(21,000)	(21,000)
Other Expenditure			
Reduction in Revenue Contribution to Capital	Reduction in the number of new capital schemes commencing in 2021/22	(300,000)	0
Total		(450,000)	(150,000)

* Members should have regard to the report of the Independent Remuneration Panel and recommendations of Council on 14 November 2017.

ii) Additions/Re-instatements to Revenue Estimates

Saving No.	Increases to Portfolio Cash Limits	2021/22	2022/23 & Future Years
		£	£
Environment & Climate Change Portfolio			
New	City wide Carbon Audit and Citizens Assembly on Climate Change	100,000	0
Health, Wellbeing & Social Care Portfolio			
18	Reorganisation of in-house Residential Care capacity and return to regular levels of in-house capacity	150,000	150,000
New	Mental Health Services - Treatment for post COVID-19 anxiety and distress	200,000	0
Total		450,000	150,000

Recommendation 3.1 3) be amended to:

The Portfolio Cash Limits for the Revised Budget for 2020/21 and Budget for 2021/22 incorporating the savings amounts for each Portfolio and amounting to £1.3m as set out in Sections 7 and 11, respectively as amended by paragraph 23 below:

23) The following changes be made to Cash Limits for 2021/22 and future years

Portfolio / Committee	2021/22	Future Years
	£	£
Communities & Central Services Portfolio	(129,000)	(129,000)
Environment & Climate Change Portfolio	100,000	0
Health, Wellbeing & Social Care Portfolio	350,000	150,000
Leader Portfolio	(21,000)	(21,000)
Other Expenditure	(300,000)	0
Total	0	0

Recommendation 3.1 24) be added:

That in May 2022 the City Council move to "All Out Elections" in accordance with the process set out below and that **£57,000** be removed from cash limits in the year that the resolution is approved (earliest year being 2022/23):

The required process for moving to whole council elections would be as follows

- I. Full Council resolves to undertake public consultation as the Council thinks appropriate on any proposed change**
- II. Have regard to the outcome of the consultation before making its decision**
- III. Convene a special meeting of the Council**
- IV. Full Council must pass a resolution by a two-thirds majority of those voting at that special meeting**
- V. The resolution must specify the commencement year (earliest date would be May 2022)**
- VI. The resolution is the means by which the term of office is reduced for any members whose term would not be completed**
- VII. Any election(s) scheduled to take place before the start date indicated in the Council's resolution would continue as normal**
- VIII. An explanatory document on the decision must be published after the resolution is made**
- IX. The Council must notify the Boundary Commission of the scheme adopted and the commencement year**
- X. If the Council resolves to change to whole council elections, the decision cannot be reversed until five years from the date of the resolution**

The relevant legislation is contained in Sections 32-36 of the Local Government and Public Involvement in Health Act 2007 (as amended by the Localism Act 2011).

Recommendation 3.1 25) be added:

That the Leader of the Council be requested to reduce the number of Cabinet Members from 10 to 7 for the new municipal year commencing 2021 and the associated saving of **£19,000** be removed from Cash Limits.

Recommendation 3.1 26) be added:

That the Cabinet be requested to consider undertaking a comprehensive review and options appraisal of all of the Council's Administrative buildings, considering suitability, condition and environmental performance with the aim of reducing the Council's costs and carbon footprint.

Recommendation 3.1 27) be added:

That the Cabinet undertake a review of all current out-sourced services with a view to in-sourcing services where better value for money can be achieved.

Recommendation 3.1 19) be amended to:

Subject to a satisfactory financial appraisal by the Director of Finance and Resources & S. 151 Officer, the schemes as described in Appendix D, including the changes described in paragraph 28 below, be reflected within the recommended Capital Programme 2020/21 to 2025/26:

28) The amendments as set out in the table below be made to Appendix D:

Scheme Description - Deletions		(Decrease)	Reduction in /
		in Council	Deletion of
		Cont.	Total Scheme
		£	Value
		£	£
Deletion of Proposed Capital Schemes			
	Replacement Education Case Management System	(1,250,000)	(1,250,000)
	Replacement Legal Case Management System	(60,000)	(60,000)
	Acquisition of Mosaic Mobile Work Force Cloud Technology	(545,000)	(545,000)
	High Street Improvements & Greening The City (Available to be used in conjunction with CIL & Crowd Funded Schemes)	(175,000)	(175,000)
Total Overall Deletions		(2,030,000)	(2,030,000)

Scheme Description - Additions (New)		Increase in Council Cont.	Total Scheme Value
		£	£
Additional Capital Scheme Proposals (New)			
	Living Streets Fund (community led initiatives to enable greening of communities and available to be used in conjunction with CIL & Crowd Funded Schemes)	750,000	750,000
	Forgotten High Streets Regeneration Fund	750,000	750,000
	Programme to reduce digital poverty (IT devices for low income families)	230,000	230,000
Total Overall Additions		1,730,000	1,730,000
Total Overall Change		(300,000)	

SECTION 151 OFFICER'S COMMENTS

Under Recommendation 21, the Section 151 Officer advises as follows:

This amendment carries a greater risk than the Administration's proposal. There is a medium risk that the current software provider of the Education Case Management System will exit the market. No financial provision for its replacement would be available. In the event that this risk materialises, there is a potentially high impact to the delivery of the statutory Education functions of the Council.

CITY SOLICITOR'S COMMENTS

The City Solicitor is satisfied that it is within the City Council's powers to approve the amendment as set out, and supports the advice of the Section 151 Officer given above.

GENERAL FUND SUMMARY - 2020/21 to 2024/25

APPENDIX A (amended)

Original Budget 2020/21 £	NET REQUIREMENTS OF PORTFOLIOS	Revised Budget 2020/21 £	Original Budget 2021/22 £	Forecast 2022/23 £	Forecast 2023/24 £	Forecast 2024/25 £
57,097,000	Children, Families & Education	57,109,400	56,428,700	57,359,700	58,912,400	60,043,900
25,155,700	Communities & Central Services	26,213,100	25,151,000	27,972,200	28,204,000	28,612,500
2,686,900	Community Safety	3,488,900	2,752,200	2,877,300	2,942,900	3,020,800
11,114,700	Culture, Leisure & Economic Development	13,284,400	13,111,200	14,041,900	14,036,600	13,805,400
13,505,700	Environment & Climate Change	13,704,600	13,851,600	14,699,100	13,632,900	13,922,200
51,013,400	Health, Wellbeing & Social Care	50,981,000	54,796,000	57,661,000	59,532,900	61,270,400
8,469,500	Housing & Preventing Homelessness	7,446,500	7,421,700	7,836,900	7,805,900	7,966,100
(24,229,200)	Leader	(24,714,600)	(25,729,200)	(25,421,500)	(26,441,000)	(26,969,100)
1,306,600	Planning Policy & City Development	1,374,100	1,229,100	1,274,200	1,321,300	1,369,900
21,206,100	Traffic & Transportation	22,011,900	21,097,000	23,199,700	25,183,600	24,931,300
(129,000)	Licensing Committee	(125,000)	(126,500)	(130,900)	(135,400)	(140,000)
167,197,400	Portfolio Expenditure	170,774,300	169,982,800	181,369,600	184,996,100	187,833,400
	<u>Other Expenditure</u>					
1,470,700	Pension Costs	1,348,200	1,394,900	1,428,500	5,563,000	5,598,300
10,345,500	Contingency Provision	31,678,600	26,295,700	9,562,900	5,587,600	5,587,600
10,000,000	Revenue Contributions to Capital Reserve	8,144,800	5,934,000	3,500,000	0	0
2,860,500	Transfer to / (from) Other Reserves	29,667,300	(28,281,800)	(7,031,800)	(1,892,200)	(760,700)
(19,983,600)	Treasury Management	(21,984,100)	(17,661,500)	(16,872,000)	(18,470,200)	(18,162,100)
2,697,900	Other Expenditure	1,407,300	3,670,000	3,510,000	3,950,000	3,950,000
7,391,000	Other Expenditure	50,262,100	(8,648,700)	(5,902,400)	(5,261,800)	(3,786,900)
174,588,400	TOTAL NET EXPENDITURE	221,036,400	161,334,100	175,467,200	179,734,300	184,046,500
	FINANCED BY:					
2,579,937	Contribution (to) from Balances and Reserves	(364,220)	2,041,226	1,876,422	3,438,612	2,933,505
11,669,696	Revenue Support Grant	11,669,696	11,734,229	11,968,914	12,208,292	12,452,459
55,391,749	Business Rates Retention	80,005,046	30,730,310	52,485,182	53,072,167	55,044,897
20,546,742	Other General Grants	44,863,946	31,511,241	20,935,147	20,551,525	20,720,656
84,400,276	Council Tax	84,861,932	85,317,094	88,201,535	90,463,704	92,894,983
174,588,400		221,036,400	161,334,100	175,467,200	179,734,300	184,046,500
	BALANCES & RESERVES					
23,001,918	Balance brought forward at 1 April	23,010,130	23,374,350	21,333,124	19,456,702	16,018,090
(2,579,937)	Deduct (Deficit) / Add Surplus for Year	364,220	(2,041,226)	(1,876,422)	(3,438,612)	(2,933,505)
20,421,981	Balance carried forward at 31 March	23,374,350	21,333,124	19,456,702	16,018,090	13,084,585
8,000,000	Minimum Level of Balances	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000
2,579,937	Underlying Budget Deficit / (Surplus)	(364,220)	2,041,226	1,876,422	3,438,612	2,933,505