

AGENDA ITEM 7 - Portsmouth City Council Budget & Council Tax 2022/23 & Medium Term Budget Forecast 2023/24 to 2025/26

Amendment to Cabinet recommendations attached.

Proposed by Cllr. Simon Boshier

Signed _____

Seconded by Cllr. Ryan Brent

Signed _____

Amendment proposed by the Conservative Group

Portsmouth City Council - Budget & Council Tax 2022/23 & Medium Term Budget Forecast 2023/24 to 2025/26

That the recommendations of the Cabinet of 8th February 2022 (Minute 14/22) on "Portsmouth City Council - Budget & Council Tax 2022/23 & Medium Term Budget Forecast 2023/24 to 2025/26" be amended as follows:-

Recommendation 3.1 1) be amended to:

- 1) The revised Revenue Estimates for the financial year 2021/22 and the Revenue Estimates 2022/23 as set out in the General Fund Summary (Appendix A Amended) including the changes described below but noting 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	2022/23	2023/24 & Future Years
		£	£
Communities & Central Services Portfolio			
5% reduction in Members' Allowance plus 10% reduction in Special Responsibility Allowance*	No impact	28,000*	28,000*
Move to "All Out" Elections**		0**	0**
Re-organisation of the HR Service (Reduction of 3 Full Time Equivalent (FTE) Staff across Management and Non-Management Roles)	<p>The existing management span of control is high at 1 manager to 16 staff. Over 65% of staff support Adult and Children's Social Care and Housing Services with recruitment, absence and disciplinary support. 25% of all staff are involved in Payroll processing. A reduction of 3 FTEs represents a reduction in HR capacity of 9% which at that level would:</p> <ul style="list-style-type: none"> • Reduce the Council's ability to manage recruitment and absence in front line services • Introduce greater risk of employment tribunal cases • Hinder the ability of the Service to maintain external contracts worth £0.4m 	105,000	105,000

Indicative Portfolio Savings Proposal	Impact on Level of Service & Service Outcomes	2022/23	2023/24 & Future Years
		£	£
Re-organisation of Marketing and Communications functions across all areas of the Council (Reduction of 2 FTE Posts)	<p>The Corporate function contains a budget for 3 FTE, all other budgets are contained within the relevant front line service. Many posts are externally funded or engaged on time-limited projects. A reduction of 2 permanent FTE's would:</p> <ul style="list-style-type: none"> • Reduce the Council's capacity to undertake proactive communications (primarily reactive activity will take place) • Remove some communication and consultation activity from Front Line Services' "business as usual activity" • Potentially reduce the ability to maintain external income for work provided to external partners 	80,000	80,000
Cease Publication of Flagship	Increased reliance placed on other channels of communication with residents (e.g. digital)	26,000	26,000
Culture, Leisure & Economic Development Portfolio			
Reduction in the Directorate Senior Management Function (1FTE)	The Directorate operates with a lean management team. The reduction will lead to a reduction in the range of Culture and Leisure projects and activities that can be managed by the Service	61,000	61,000

Indicative Portfolio Savings Proposal	Impact on Level of Service & Service Outcomes	2022/23	2023/24 & Future Years
		£	£
Leader Portfolio			
Delete Leaders Initiatives budget	Fewer opportunities to celebrate success, engage and network with partner organisations and prospective investors in the City	21,000	21,000
Planning Policy & City Development Portfolio			
Reduction in Strategic Developments Support	Reduction in the speed at which regeneration projects of the Council will progress	17,000	17,000
Other Expenditure			
Senior Management Re-organisation***	The recent Peer Challenge report found that Portsmouth is a good council that is performing well, with a strong senior leadership team. However, they raised the question "Are people spread too thinly across too many priorities?" A reduction in the Senior Management Team will lead to a reduction in capacity to deliver Council priorities for services, improvement and change and will diminish the Council's ability to build partnerships and influence regional strategy.	0***	0***
Reduction in Revenue Contribution to the Capital Programme	Reduction in funding for New Capital Investment proposals (Appendix D)	21,000	0
Total		359,000	338,000

* Members should have regard to the report of the Independent Remuneration Panel and recommendations of Council on 14 November 2017 and 16 March 2021.

**** 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 2023)**
- 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 earliest implementation date would be from May 2023 and the saving is estimated to be £44,000 per annum.

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)

***** This is a decision for the Employment Committee, a regulatory committee under the City Council Constitution and to be taken upon the advice of the Chief Executive as Head of Paid Service following necessary consultation.**

ii) Additions to Revenue Estimates

Saving No.	Increases to Portfolio Cash Limits	2022/23	2023/24 & Future Years
		£	£
Communities & Central Services Portfolio			
016	Re-instate - Delete vacant apprentice post	18,000	18,000
New	Additional apprentice post in 2022/23 and a further Apprentice post from 2023/24	18,000	36,000
New	Grant to Moving on Project Portsmouth	5,000	5,000
New	Grant to Portsmouth Pride	10,000	10,000
New	Grant to Hive	50,000	50,000
New	Grant to Foxes Forest Education Centre	50,000	0
Community Safety & Environment Portfolio			
New	Dedicated Community Safety Warden for Cosham, Wymering and Cosham High Street	38,000	38,000
New	Dedicated Community Safety Warden for Old Portsmouth & Somerstown	38,000	38,000
Housing & Preventing Homelessness Portfolio			
042	Re-instate - Henderson Road & Cliffdale Gardens Mobile Home Parks - Charge commission on sales of mobile homes	50,000	50,000
New	Houses in Multiple Occupation Officer Post	42,000	42,000
Traffic & Transportation Portfolio			
048	Re-instate - Rationalise budget to actually reflect the real average number of school crossing patrol wardens in place over the last year	40,000	40,000
Total		359,000	327,000

Recommendation 3.1 2) be amended to:-

- 2) The Portfolio Cash Limits for the Revised Budget for 2021/22 and the Budget 2022/23 incorporating the savings amounts for each Portfolio and amounting to £1.825m as set out in Sections 7 and 11, respectively as amended by the following:

Portfolio / Committee	2022/23 £	Future Years £
Communities & Central Services Portfolio	(88,000)	(120,000)
Community Safety & Environment Portfolio	76,000	76,000
Culture, Leisure & Economic Development Portfolio	(61,000)	(61,000)
Housing & Prevention Homelessness Portfolio	92,000	92,000
Leader Portfolio	(21,000)	(21,000)
Planning Policy & City Development Portfolio	(17,000)	(17,000)
Traffic & Transportation Portfolio	40,000	40,000
Other Expenditure	(21,000)	0
Total	0	(11,000)

Recommendation 3.1 8) be amended to:

- 8) That Revenue Contributions to Capital be made in 2021/22 in the sum of £1.0m and in 2022/23 in the sum of £1.979m in order to provide sufficient funding for the New Capital Investment proposals as set out in Appendix D as amended by tables iii) and iv) below:

iii) Reductions to the Capital Programme (Appendices D & E)

Scheme Deletions / Reductions		2022/23 £	2023/24
Communities & Central Services Portfolio			
Delete	Bring Your Own Device Phase 2	75,000	75,000
Community Safety & Environment Portfolio			
Delete	Southsea Sea Defences - Public Realm Enhancements (Nelson Statue and Saluting Platform Area)	176,000	0
Total		251,000	75,000

iv) Additions to Capital Programme (Appendices D & E)

Scheme Additions / Increases		2022/23 £	2023/24
Community Safety & Environment Portfolio			
Add	Greening the City Fund (increase to proposed scheme)	70,000	70,000
Add	Redeployable CCTV cameras (increase to proposed scheme)	30,000	30,000
Add	Sea Defences - Public Realm Enhancements (increase to Scheme 15 Appendix E)	60,000	0
Culture, Leisure & Economic Development Portfolio			
Add	Additional lighting in parks	30,000	0
Traffic & Transportation Portfolio			
Add	LED Speed Reduction Signs	15,000	0
Total		205,000	100,000

Recommendation 3.1 13) be amended to:

- 13) The Revised Capital Programme 2021/22 to 2026/27 attached as Appendix E and which includes all additions, deletions and amendments for slippage and re-phasing be amended by tables iii) and iv) above and approved

Recommendation 3.1 16) be amended to:

16) Subject to a satisfactory financial appraisal approved by the Director of Finance and Resources & S.151 Officer, the schemes described in Appendix D (as amended by tables iii) and iv) above be reflected within the recommended Capital Programme 2021/22 to 2026/27

Recommendation 3.1 17) be amended to:

17) That the S.151 Officer be given delegated authority to amend the Prudential Indicators set out in Appendix F to accommodate any changes arising from this amendment.

SECTION 151 OFFICER'S COMMENTS

Under Recommendation 18, the Section 151 Officer advises as follows:-

The proposals contained within this amendment do not alter the statements made by the Section 151 Officer in Section 16 of this report.

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 - 2021/22 to 2025/26

(APPENDIX A Amended)

Original Budget 2021/22 £	NET REQUIREMENTS OF PORTFOLIOS	Revised Budget 2021/22 £	Original Budget 2022/23 £	Forecast 2023/24 £	Forecast 2024/25 £	Forecast 2025/26 £
56,428,700	Children, Families & Education	57,899,500	59,409,200	62,280,500	63,942,700	65,634,000
25,280,000	Communities & Central Services	32,452,100	26,957,400	27,919,100	28,651,100	29,113,500
16,503,800	Community Safety & Environment	17,297,700	17,621,200	17,272,300	17,679,200	18,097,700
13,111,200	Culture, Leisure & Economic Development	12,944,600	13,327,100	14,064,300	14,190,100	14,486,300
54,446,000	Health, Wellbeing & Social Care	57,177,600	57,264,100	62,732,200	66,900,800	70,206,100
7,421,700	Housing & Preventing Homelessness	7,362,000	7,370,800	7,665,300	7,826,000	7,991,500
(25,708,200)	Leader	(25,637,100)	(28,280,400)	(27,922,300)	(28,697,600)	(29,234,100)
1,229,100	Planning Policy & City Development	1,266,800	1,141,000	1,383,700	1,425,200	1,468,200
21,097,000	Traffic & Transportation	22,220,200	22,017,800	23,964,500	23,691,700	23,890,400
(126,500)	Licensing Committee	(124,900)	(132,300)	(148,400)	(158,400)	(168,800)
169,682,800	Portfolio Expenditure	182,858,500	176,695,900	189,211,200	195,450,800	201,484,800
	<u>Other Expenditure</u>					
1,394,900	Pension Costs	1,305,200	1,375,000	1,508,100	1,542,100	1,576,900
26,295,700	Contingency Provision	17,810,100	18,629,000	4,800,900	3,917,000	3,917,000
(22,047,800)	Transfer to / (from) Reserves	(8,298,900)	(10,083,700)	2,472,300	2,664,800	(335,200)
(17,661,500)	Treasury Management	(20,183,100)	(16,820,000)	(18,369,200)	(18,508,800)	(19,506,900)
3,670,000	Other Expenditure	2,484,000	3,705,000	6,830,600	6,726,900	7,567,700
(8,348,700)	Other Expenditure	(6,882,700)	(3,194,700)	(2,757,300)	(3,658,000)	(6,780,500)
161,334,100	TOTAL NET EXPENDITURE	175,975,800	173,501,200	186,453,900	191,792,800	194,704,300
	FINANCED BY:					
2,041,226	Contribution (to) from Balances and Reserves	1,961,735	(92,122)	(280,570)	(453,315)	152,990
11,734,229	Revenue Support Grant	11,734,229	12,096,876	12,544,460	12,795,349	13,051,257
30,730,310	Business Rates Retention	43,494,866	42,491,554	55,530,218	57,052,110	57,233,153
31,511,241	Other General Grants	33,467,876	27,324,481	26,368,522	26,321,130	26,277,375
85,317,094	Council Tax	85,317,094	91,680,411	92,291,270	96,077,526	97,989,525
161,334,100		175,975,800	173,501,200	186,453,900	191,792,800	194,704,300
	BALANCES & RESERVES					
23,374,350	Balance brought forward at 1 April	23,373,614	21,411,879	21,504,001	21,784,571	22,237,886
(2,041,226)	Deduct (Deficit) / Add Surplus for Year	(1,961,735)	92,122	280,570	453,315	(152,990)
21,333,124	Balance carried forward at 31 March	21,411,879	21,504,001	21,784,571	22,237,886	22,084,896
8,000,000	Minimum Level of Balances	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000
2,041,226	Underlying Budget Deficit / (Surplus)	1,961,735	(92,122)	(280,570)	(453,315)	152,990