

## RESOURCES PORTFOLIO MEETING

NOTICE OF DECISION MEETING held on Thursday 24 November 2011 at 8.45 am in the Executive Meeting Room, The Guildhall, Portsmouth

### Present

Councillor Hugh Mason, Cabinet Member for Resources  
Councillor D Jones) Opposition Spokespersons  
Councillor D Horne)

### Officers

Louise Wilders, Head of Customer, Community & Democratic Services  
Ms Sue Page, Finance Manager  
Mr Jon Bell, Head of Audit & Performance  
Ms Suki Binjal, Head of Legal, Licensing & Registrars

#### 38 Apologies for Absence

There were no apologies for absence.

#### 39 Declaration of Members' Interests

There were no declarations of Members' Interests.

#### 40 Twinning Matters

The Cabinet Member for Resources advised that he had two grant applications that had been put forward by the Twinning Advisory Group.

### DECISION

**That the Cabinet Member for Resources decided**

- (1) To formally agree to Caen Committee being given the authority to draw down up to £1,000 to support the Caen Foundation and its work.**
- (2) To formally agree that the member in charge of sister city links be granted the sum of £50.34p to send calendars to sister cities.**

#### 41 Budget for Members' Allowances & Expenses

The Head of Customer, Community & Democratic Services explained that the report provided information to the portfolio holder for Resources relating to the current costs of Members' allowances and expenses, how they are funded and the relationship between such costs and the service budget for Customer, Community & Democratic Services. In particular the portfolio holder's attention was drawn to the in-built shortfall of around £20,000 resulting in overspends in the last two financial years with a further overspend projected in the current year.

In each of the last two financial years this shortfall has been accommodated by underspends within the CCDS Service budget and within the wider resources portfolio. However, as pressure on Service Budgets increases with year on year reductions in cash limit, this is unlikely to be sustainable indefinitely.

The Head of Customer, Community & Democratic Services explained that the shortfall is caused by two key factors namely (1) insufficient cash limit provision made after the last report from the Independent Remuneration Panel and (2) additional portfolio being added in 2009 for which no funding has been made available. The proportion of the Service Budget required to finance Members' expenses has risen from 12% in 2009/10 to 13.9% in 2011/12 and will rise further each year from 2012/13 onwards as the Council makes the savings required following the 2010 comprehensive spending review.

The Head of Customer, Community & Democratic Services said that the Service has no control over this area and that she was seeking a solution to an on-going problem. It has already been identified as a budget pressure. The Cabinet Member for Resources said that he felt the best way forward was for the Head of Customer, Community & Democratic Services to provide him with details on specific areas where there is no control over budgets so that he can advise the Chief Executive and the Leader for consideration during the budget making process.

Councillor Jones suggested that a way of making savings would be to reduce the number of Members of the Cabinet.

**DECISION:**

**The Cabinet Member for Resources noted the report.**

**42 Monitoring the Second Quarter 2011/12 Revenue Cash Limits & Capital Programme**

Ms Sue Page introduced the report which compares the forecast revenue at outturn 2011/12 with the cash limit and budget for that year and the forecast capital expenditure be approved capital programme and provide information to enable an understanding of the reasons for variances. The report also lists the action to be taken to ameliorate the effect of forecast overspend. Ms Page outlined the key points in the report stating that there had been a net underspend of £73,200. The main areas of variance are listed in 5.3 of the report.

With regard to the capital programme Ms Page said that it had been revised and updated to reflect the impact of slippage in scheme expenditure from 2010/11, new starts approved by the City Council on 8 February 2011, further approved amendments, re-phasing of expenditure into future years and the removal of completed schemes. The updated monitoring statement is attached at Appendix B to the report. The current forecast of capital expenditure in 2011/12 is £7,165,312.

In response to a query on the project management, risk and insurance costs incurred by posts within the transformation team, Mr Jon Bell explained that a small team of project managers for transformation was funded from a previous release from the MTRS Reserve, not from the mainstream cash limit for his service. He said that he was holding vacancies in his Service so that there was no overspend as a whole. However, additional funding may have to be sought for the rest of this financial year although from the next financial year funding would be mainstreamed. In response to a query from the Cabinet Member for Resources, Mr Bell said that the overspend was in the long-term interests of the Council.

## **DECISION**

**The Cabinet Member for resources noted the report.**

### **43 Report Seeking Authority to Settle a Claim against the City Council**

The Cabinet Member for Resources resolved to go into exempt session for the following item on the agenda:

Mr Peter Nail introduced the report and provided the Cabinet Member for Resources with the financial details of the proposed settlement.

## **DECISION**

**That the Cabinet Member for Resources agreed that the City Solicitor be authorised to agree the terms of settlement and conclude the litigation against the City Council as set out in the exempt appendix attached to the report.**

### **44 Date of Next Meeting**

The date of the next meeting is scheduled for 26 January at 8.45 am.

Concluded at 9.55 am.

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Councillor Hugh Mason  
Cabinet Member for Resources

