

## *Portsmouth City Council*

A MEETING OF THE COUNCIL will be held at the Council Chamber - The Guildhall on Tuesday, 15 October 2013 at 2.00 pm and all members of the council are hereby summoned to attend to consider and resolve upon the following business:-

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# *Agenda*

- 1 **Members' Interests**
- 2 **To approve as a correct record the Minutes of** (Pages 1 - 12)
  - the meeting held on 9 July 2013 (pages 77 to 87).
- 3 **To receive such communications as the Lord Mayor may desire to lay before the Council, including apologies for absence.**
- 4 **The Council has received the following petition -**  
**Palmerston Road pedestrianisation**

"The Palmerston Road pedestrianisation was implemented with little or no consultation and has had a disastrous effect on resident and visitor amenities. We the undersigned call on Portsmouth City Council to suspend the scheme until extensive consultation is carried out to determine how to manage the traffic flow to the area in the best interests of those who live and work here".

The Council's rules state that as the petition contains more than 1,000 signatures it will be debated by the Full Council (if the lead petitioner so requests and she does) even if the issue has been considered by the Council within the last 24 months and it not a matter the Full Council can determine.

  1. The petition organiser (Linda Symes) will be given six minutes to present the petition at the meeting,
  2. Followed by any public deputations received on this item.
  3. The Administration, via a proposer and seconder, will then present its response to the petition
  4. The petition will then be discussed by councillors and the normal rules of debate will apply,.

Note - As an Executive (Cabinet) matter, the Full Council is precluded from determining the issues raised in the Petition, although of course the petition can still be debated at the Full Council meeting in accordance with the revised process.

**5 (a) Deputations from the Public under Standing Order No 24 for items on the remainder of the agenda.**

**(b) Questions from the Public under Standing Order 25.**  
(Pages 13 - 14)

**6 Appointments**

**7 Urgent Business - To receive and consider any urgent and important business from Members of the Cabinet in accordance with Standing Order No 26.**

**8 Recommendations from Cabinet from its Meeting held on 7 October 2013 (Pages 15 - 100)**

To consider the below attached reports. The recommendations will follow shortly.

- Adoption of Hampshire Minerals & Waste Plan (The Plan is a very large document (230 pages). Copies have been placed in the Group Rooms, made available for public inspection in the Civic offices and available for viewing via the Hampshire County Council website (see below). Copies will also be available at the meeting).  
[http://consult.hants.gov.uk/portal/pdpp/hmwp\\_-\\_draft\\_for\\_consideration\\_at\\_cabinet\\_july\\_2013?tab=files](http://consult.hants.gov.uk/portal/pdpp/hmwp_-_draft_for_consideration_at_cabinet_july_2013?tab=files)
- Treasury Management outturn 2012/13 (Governance and Audit and Standards Committee has no comment to add)
- Budget and Performance monitoring 2013/14 First Quarter (colour versions of the appendix of risk indicators can be viewed on the website and can be e-mailed to members on request)
- Revenue Outturn 2012/13 Final Accounts

**9 Recommendations from Governance & Audit & Standards Committee from its Meeting held on 26 September 2013 (Pages 101 - 118)**

To consider the attached report and recommendations in respect of the following.

- Gifts and Hospitality Protocol

**10 Notices of Motion**

**(a) Proposed by Councillor Luke Stubbs  
Seconded by Councillor Donna Jones**

**Permitted development**

The government is considering extending Permitted Development Rights to allow the conversion of small shops to housing without planning consent. If adopted, this policy would strip the council of the planning powers needed to maintain roads such as Albert Road and

Cosham High Street as primarily commercial in nature.

While this council supports the removal of unnecessary red tape and while it recognises that the floor space required by small retailers is in structural decline, it is concerned that this change would fatally undermine its efforts to consolidate small shops in viable commercial centres.

It therefore resolves to direct the Chief Executive to respond to the government's consultation expressing this council's opposition to the proposal.

- (b) Proposed by Councillor Luke Stubbs  
Seconded by Councillor Donna Jones**

### **Tesco**

"A new Tesco store opened earlier this year in the former Cumberland Service Station in Eastney Road. During the process, the planning agent of company made a non-binding written commitment to improving fencing to the rear of the property. Regrettably this had not happened even though it has security implications for adjoining houses.

This council is disappointed that this undertaking has not been complied with. It therefore resolves to direct the Chief Executive to write to the management of the company seeking their agreement to carry out the fence works in accordance with the agreement they made with their neighbours".

- (c) Proposed by Councillor John Ferrett  
Seconded by Councillor Donna Jones**

### **Flagship Magazine**

"The Council notes, with concern, the recent decision by the Leader of the Council to write a column, with accompanying picture, on the inside cover of Flagship Magazine, a taxpayer funded publication that is distributed to every household within the Unitary Authority.

The Council also notes the long-standing convention that has seen Flagship remain free of political content and politicians since it was established over 20 years ago. The decision by the Council Leader has essentially brought that convention, and the cross-party consensus that sustained it, to an end by his unilateral decision to 'communicate directly' with residents.

The politicisation of Flagship magazine follows the decision to break convention by allowing the previously ceremonial Annual Council Meeting to receive and debate motions personally attacking Councillors. Furthermore, the Council has also established a practice where Cabinet members are to be paid 'tribute' at meetings, with

congratulatory motions put forward for debatable successes.

This Council agrees that Flagship magazine should remain a politically neutral publication and should not feature columns from any member of the Council".

**(d) Proposed by Councillor Ken Ferrett  
Seconded by Councillor Aiden Gray**

**Privatisation of Royal Mail**

"In July this year the Business Secretary, Vince Cable, announced the privatisation of Royal Mail, selling off a stake of between 50.1 and 70%.

Royal Mail is a thriving, profitable business which last year made a profit of £430m and is a major employer in Portsmouth.

Privatisation could endanger the financial stability of many of the country's 11,500 Post Offices by hastening their separation from Royal Mail. Those who most need Royal Mail will be most vulnerable to any changes. The National Federation of Sub-Postmasters described privatisation of Royal Mail as, "A reckless gamble" that could put the future of Post Offices at risk.

This council therefore opposes the privatisation of Royal Mail as set out in the Postal Services Act 2011.

Royal Mail is a Great British institution which should be protected and allowed to continue thriving in the public sector, providing vital services for our communities.

This motion calls on the Council Leader to write to the Business Secretary asking for guarantees to be put in place to ensure the future stability of the services provided by Royal Mail, specifically:

- Introduce price controls – Stamp prices have risen by 30% in the last 2 years. Further price rises should be kept to a minimum.
- Ensure Royal Mail services continue to be provided through Post Offices beyond 2022 – The agreement between Royal Mail and the Post Office is due to expire in 2022 and can be reviewed sooner.
- Guarantee the universal postal service beyond 2015 – The universal service obligation is only guaranteed to last until 2015 when it is due for review".

**(e) Proposed by Councillor Alistair Thompson  
Seconded by Councillor Frank Jonas**

"The City Council is concerned at the removal of the lollipop man

(SCP) from the pedestrian crossing on London Road, near Merrivale Road. This crossing is used by hundreds of children and other vulnerable users every day, is one of the City's major roads and the lollipop man improves the safety on this crossing.

The mover of the motion intends to submit an agenda item to the Traffic and Transportation Portfolio holder (as the appropriate decision maker) proposing that the Portfolio holder reviews his decision, which was taken without consultation with residents, crossing users, or ward councillors.

It is also going to be proposed that the reasons for change should be clearly recorded and these should be published in full on the Council's website and a copy sent to the relevant ward councillors.

The mover of the motion's agenda item will also be requesting the Cabinet Member for Traffic and Transportation to instruct officers to amend the procedures for the removal, or redeployment of lollipop men and women from their usual crossings, to ensure crossing users, residents and other interested parties including ward councillors are fully consulted.

The Council is asked to endorse the principles contained within the mover's proposal".

**11 Questions from Members under Standing Order No 17 (Pages 119 - 120)**

David Williams  
Chief Executive

Please note that agenda, reports and minutes are available to view on line on the Portsmouth City Council website: [www.portsmouth.gov.uk](http://www.portsmouth.gov.uk)

Full Council and Cabinet meetings are digitally recorded, audio only.

Civic Offices  
Guildhall Square  
PORTSMOUTH  
8 October 2013

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MINUTES OF A MEETING OF THE COUNCIL held at the Guildhall,  
Portsmouth on Tuesday 9 July 2013 at 2.00 pm.

**Council Members Present**

The Right Worshipful The Lord Mayor  
Councillor Lynne Stagg (In the Chair)

Councillors

Adair, Margaret	New, Robert
Andrewes, Michael	Park, Mike
Bosher, Simon	Patey, Jim
Eddis, Peter	Phillips, Darron
Ellcome, Ken	Purvis, Will
Fazackarley, Jason	Sanders, Darren
Ferrett, John	Scott, Caroline
Ferrett, Ken	Scott, Eleanor
Foster, Margaret	Smith, Phil
Fuller, David	Stevens, Les
Gray, Aiden	Stockdale, Sandra
Hancock, Jacqui	Stubbs, Luke
Hancock, Mike CBE MP	Thompson, Alistair
Horne, David	Vernon-Jackson, Gerald
Hunt, Lee	Wemyss, Steve
Jonas, Frank	Windebank, April
Jones, Donna	Winnington, Matthew
Madden, Leo	Wood, Rob
Mason, Hugh	Wylie, Steven
Mason, Lee	Young, Neill

**66 Declarations of Members' Interests under Standing Order 13(2)(b)**

Councillor Aiden Gray declared a personal interest in agenda item 9(a) in that he is the commercial manager for Santander Bank.

**67 Minutes of the Council Meeting held on 11 June 2013**

It was

Proposed by Councillor Gerald Vernon-Jackson  
Seconded by Councillor Donna Jones

That

- (1) the minutes of the meeting held on 20 May 2013 approved by the council at the last meeting be amended; and
- (2) the minutes of the meeting held on 11 June 2013 be confirmed and signed as a correct record.

**RESOLVED that**

- (1) the minutes of the meeting on 20 May 2013 (approved by council at the last meeting) be amended to correct an inaccuracy subsequently discovered, namely to record that Councillor Phil Smith replaced Councillor Caroline Scott as a full member of the Langstone Harbour Board, with Councillor Scott taking Councillor Smith's place on the board as a standing deputy (minute 51 refers); and
- (2) the minutes of the meeting held on 11 June 2013 be confirmed and signed as a correct record.

**68 Communications and Apologies**

Apologies for absence were received from Councillor Terry Hall. Apologies for lateness were received from Councillor Michael Andrewes, Councillor Luke Stubbs and Councillor Steve Wemyss.

The Lord Mayor advised members of the recent death of Commander Eddie Grenfell but said she was heartened by the fact that before his death he had been honoured to receive the inaugural Churchill Award in recognition of his efforts to secure fellow Arctic Convoy veterans a medal and had received a civic award from the city council at the last annual council meeting. His funeral takes place on Thursday 11 July from 11.00 am till noon at the cathedral.

The Lord Mayor also announced Portsmouth City Council's recent success in the Caen 10K running race - Courants de la Liberté which has resulted in the Council receiving a trophy. The Lord Mayor invited members of the team who were present in the chamber to come forward to appear in a photograph with the Lord Mayor in recognition of their achievement.

**69 Deputations from the Public under Standing Order No 24**

The City Solicitor advised that three deputations had been requested by members of the public. The first deputation was from Mr Jim Fleming speaking against agenda item 9(a). The second deputation was made by Mr Bagshaw in support of agenda item 9(c). The third deputation was made by Mr Murphy of Unite Union in support of agenda item 9(d).

**70 Questions from the Public under Standing Order No 25**

There were no questions from members of the public.

**71 Appointments**

There were no appointments.

**72 Urgent Business**

There was no urgent business.



**73 Recommendations from Governance & Audit & Standards Committee from its meeting held on 27 June 2013**

The following minute was approved unopposed:-

Minute 43 - Health Scrutiny Panel Terms of Reference

**Minute 38 - Modifications to the Petitions Scheme**

It was

Proposed by Councillor Michael Andrewes

Seconded by Councillor Phil Smith

That the recommendation set out in Governance & Audit & Standards Committee minute 38 be approved.

Following debate, upon being put to the vote this was CARRIED.

**RESOLVED**

- 1. That the petition scheme be changed so that Petitions for debate submitted with the support of at least 500 signatures, be reported to and considered by the relevant decision making Body of the Council, (or the Full Council if the petitioner so wishes even if the Full Council is not the relevant decision making body). This is on the basis that the Local Authority through any part of its political management structure (eg Full Council, Cabinet or Portfolio holder) has not already considered the matter which is the subject of the petition within the preceding 24 months of its submission.**
- 2. That further to 1. above, for petitions received on matters that have been considered by the Local Authority within the preceding 24 months following submission, at least 1000 signatures would be required to trigger a debate by the appropriate decision making Body of the Council, including the Full Council, if the petitioner so wishes, even if the Full Council is not the relevant decision making body.**
- 3. That the City Solicitor be authorised to make the requisite changes to the scheme and associated supporting documents to reflect the above:**
- 4. That Standing Order 13 (f) be amended by the inclusion of the following words in brackets after "receive and debate written petitions" (submitted from the public at least 12 days before the meeting and which contain at least 500 signatures and are on issues either (a) within the power of Full Council or, (b) the petitioner has requested it be debated by Full Council even if Full Council is not the decision making body; this is on the basis that the Local Authority, through any part of its political management structure, has not previously considered the matter which is the subject of the petition within the preceding 24 months following submission.**

**That for petitions concerning issues which the Local Authority has already considered within the preceding 24 months following petition submission, at least 1000 signatures would be required to trigger a Council debate if the matter is within the powers of the Full Council, or the petitioner so requests.**

**(Full Council debates will commence with the lead petitioner being given 6 minutes to present their petition, followed by the Administration proposing its response to the petition and the normal rules of debate applying).**

**74 Recommendations from Employment Committee meeting held on 18 June 2013**

The following minute was approved unopposed.

Minute 35 - Approval of Offer Package for Director of Public Health Role

**75 Notices of Motion**

The Lord Mayor advised that there were four notices of motion before council today.

(a) It was

Proposed by Councillor Gerald Vernon-Jackson  
Seconded by Councillor Hugh Mason

That the notice of motion set out at agenda item 9(a) be discussed today. Upon being put to the vote this was CARRIED.

It was

Proposed by Councillor Gerald Vernon-Jackson  
Seconded by Councillor Hugh Mason

That the notice of motion be adopted by council.

As an amendment it was

Proposed by Councillor John Ferrett  
Seconded by Councillor Ken Ferrett

That the motion be amended in paragraph 2 after "transactions" insert "between financial institutions".

At the end of paragraph 3 add "we regret the coalition government's refusal to consider supporting anything other than a globally agreed financial transactions tax". In paragraph 4 after "the city council resolves" insert "to seek the support of other local authorities through the Local Government Association for the principle of a financial transactions tax and".

Following debate upon the amendment standing in the name of Councillor John Ferrett being put to the vote this was LOST.

Upon the original notice of motion standing in the name of Councillor Gerald Vernon-Jackson being put to the vote this was CARRIED.

**RESOLVED that the notice of motion set out below be adopted by council.**

**Portsmouth City Council acknowledges that its ability to provide high quality services to residents of the City has been limited by financial constraints. It recognises that these result, in large part, from financial crises and instability which have affected this country for the last six years.**

**Recognising that financial stability is necessary if services to the community are to be funded to former levels, the City Council supports the principle of a Financial Transactions Tax being imposed on all transactions above an agreed threshold. Such a tax should be designed to encourage long term investment, be a disincentive to short term financial movements and reduce exchange rate volatility.**

**The Portsmouth City Council believes that the tax needs to be set at a rate which achieves these objectives but maintains the strength of the UK financial services sector. The tax should therefore be developed within the context of international agreements such as the EU, the EEA and the IMF.**

**The City Council resolves that the Leader of the City Council writes to the Prime Minister and Deputy Prime Minister to set out our views on this issue.**

(b) It was

Proposed by Councillor John Ferrett  
Seconded by Councillor Donna Jones

That the notice of motion set out at agenda item 9(b) be discussed today. Upon being put to the vote this was CARRIED.

It was

Proposed by Councillor John Ferrett  
Seconded by Councillor Donna Jones

That the notice of motion be adopted by council.

As an amendment it was

Proposed by Councillor Gerald Vernon-Jackson  
Seconded by Councillor Mike Hancock

"That the motion be amended by deleting all after the word "objectives" and replace with: the city council notes that if Portsmouth is to win additional funding from outside of the city, bids to outside organisations have to be submitted. Not all bids will be successful, but by not applying the City is guaranteed to win no additional money from outside of Portsmouth. The City Council notes successful recent bids for:

- 1 million euros from the EU to celebrate with Caen the 70th Anniversary of D-Day.
- £11M towards the re-building of the Northern Road Bridge in Cosham.
- £22M towards the construction of a new junction on the M275 at Tipner and the building of a 663 car park and ride scheme.
- £5M from Sport England towards the redevelopment of the Mountbatten Centre.
- £1.33M from the Lawn Tennis Association for development at Hilsea and other City locations.
- £270,000 from the Heritage Lottery Fund to celebrate Charles Dickens Bicentenary.
- £60,000 from the Environment Agency for Baffins Pond improvements.
- £200,000 from the Coastal Community Fund towards the Hot Walls.
- £750,000 from PUSH for the New Theatre Royal, plus an extra £999,000 from the Heritage Lottery Fund and £100,000 from the Art Council of England towards the rebuilding of the New Theatre Royal.
- £600,000 towards Bransbury Park Sports from Barclays.
- £5M towards a successful Local Sustainable Transport Fund, from Department of Transport.

And many other successful bids.

The City Council condemns the negative and anti-entrepreneurial spirit shown by both Cllr Donna Jones and Cllr John Ferrett in presenting their motion and by so doing, giving the appearance that they oppose bidding for funding for Portsmouth from outside of the City."

Following debate upon being put to the vote the amendment standing in the name of Councillor Gerald Vernon-Jackson was CARRIED. Upon the substantive motion being put to the vote this was CARRIED.

**RESOLVED that the City Council notes the recent unsuccessful City of Culture bid. Furthermore, the Council also notes the recently established practice of congratulating Cabinet Members for perceived success in delivering objectives.**

The city council notes that if Portsmouth is to win additional funding from outside of the city, bids to outside organisations have to be submitted. Not all bids will be successful, but by not applying the City is guaranteed to win no additional money from outside of Portsmouth. The City Council notes successful recent bids for:

- 1 million euros from the EU to celebrate with Caen the 70th Anniversary of D-Day.
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- £5M towards a successful Local Sustainable Transport Fund, from Department of Transport.

And many other successful bids.

The City Council condemns the negative and anti-entrepreneurial spirit shown by both Cllr Donna Jones and Cllr John Ferrett in presenting their motion and by so doing, giving the appearance that they oppose bidding for funding for Portsmouth from outside of the City.

(c) It was

Proposed by Councillor Steve Wemyss  
Seconded by Councillor Donna Jones

That notice of motion (c) should not be debated today, but stand referred and this was Agreed.

It was then

Proposed by Councillor Gerald Vernon-Jackson  
Seconded by Councillor Mike Hancock

That the issue be referred direct to Healthwatch. Upon being put to the vote, this was CARRIED.

**RESOLVED that the issues included in notice of motion (c) be referred to Healthwatch with a report back to council if Healthwatch is unable to undertake the referral.**

(d) It was

Proposed by Councillor Aiden Gray  
Seconded by Councillor Ken Ferrett

That the notice of motion set out at agenda item 9(d) be debated today. Upon being put to the vote this was CARRIED.

It was

Proposed by Councillor Aiden Gray  
Seconded by Councillor Ken Ferrett

That the notice of motion set out in agenda item 9(d) be adopted by council.

As an amendment it was

Proposed by Councillor Darren Sanders  
Seconded by Councillor Hugh Mason

That all the words in the motion after the words "central government" in the first line of paragraph 2 be deleted and replaced with

"to extend the principle of the Local Housing Allowance, introduced by the previous Labour Government, to those in Social housing, cannot guarantee affected tenants an affordable alternative. If the consequence of tenants running up arrears is that they face eviction, the council may well face higher costs rehousing those who are displaced by the so called 'bedroom tax'.

Council recognises and welcomes the work done by the Housing Options team and the staff of the Revenues and Benefits team in providing practical assistance to people actually and potentially affected by the Local Housing Allowance and by its extension to the social housing sector.

Council requests Cabinet to examine the following matters in order to establish whether further measures are needed to mitigate hardship to both private and social tenants and to prevent additional economic burdens for council tax payers.

1. The policy and procedures for managing council tenancy rent arrears in order to minimise the requirement for evictions.
2. The procedures for advising tenants of suitable alternative properties and maximising the choices available to them.
3. The implementation of the Housing Hardship Fund, recently established by the Council.
4. The adequacy of the means by which the Council advises tenants in both the private and social rental sectors of the advice service provided by bodies such as Citizens Advice, the You Trust, and the Hampshire Credit Union.
5. The procedures for co-ordinating with housing associations to ensure the optimum availability of housing options for social housing tenants.
6. The effectiveness of the Local Housing Allowance and the Under-Occupation of Social Housing procedures in ensuring the provision of adequate housing for the residents of the city.
7. The scope for building more council housing in order to provide the flexibility required as a result of demographic change in our city."

Upon the amendment standing in the name of Councillor Darren Sanders being put to the vote, this was CARRIED. Upon the substantive motion being put to the vote, this was CARRIED UNANIMOUSLY.

**RESOLVED that under occupation of Social Housing "commonly known as the "Bedroom Tax""**

**"The decision by Central Government to extend the principle of the Local Housing Allowance, introduced by the previous Labour Government, to those in Social housing, cannot guarantee affected tenants an affordable alternative. If the consequence of tenants running up arrears is that they face eviction, the council may well face higher costs rehousing those who are displaced by the so called 'bedroom tax'.**

**Council recognises and welcomes the work done by the Housing Options team and the staff of the Revenues and Benefits team in providing practical assistance to people actually and potentially affected by the Local Housing Allowance and by its extension to the social housing sector.**

**Council requests Cabinet to examine the following matters in order to establish whether further measures are needed to mitigate hardship to both private and social tenants and to prevent additional economic burdens for council tax payers.**



1. The policy and procedures for managing council tenancy rent arrears in order to minimise the requirement for evictions.
2. The procedures for advising tenants of suitable alternative properties and maximising the choices available to them.
3. The implementation of the Housing Hardship Fund, recently established by the Council.
4. The adequacy of the means by which the Council advises tenants in both the private and social rental sectors of the advice service provided by bodies such as Citizens Advice, the You Trust, and the Hampshire Credit Union.
5. The procedures for co-ordinating with housing associations to ensure the optimum availability of housing options for social housing tenants.
6. The effectiveness of the Local Housing Allowance and the Under-Occupation of Social Housing procedures in ensuring the provision of adequate housing for the residents of the city.
7. The scope for building more council housing in order to provide the flexibility required as a result of demographic change in our city.

#### **76 Questions from Members under Standing Order No 17**

The Lord Mayor advised that there were four questions under Standing Order 17 that had previously been circulated.

**Question No 1** was from Councillor David Horne

"What was the total amount spent by Portsmouth on the bid that failed for the UK City of Culture and from what budget did it come?"

This and supplementary questions were answered by the Cabinet Member for Culture, Leisure and Sport, Councillor Lee Hunt.

**Question No 2** was from Councillor Luke Stubbs

"Does the Cabinet Member endorse the use of land at Marine Court as the start point of the annual nude cycle ride?"

This and supplementary questions were answered by the Cabinet Member for Culture, Leisure and Sport, Councillor Lee Hunt.

**Question No 3** was from Councillor David Horne

"What services have now been transferred from other budget headings to the Housing Revenue Account and the value for each of the services for the years 2012/13 and 2013/14?"

This and supplementary questions were answered by the Cabinet Member for Housing, Councillor Darren Sanders.



**Question No 4** was from Councillor Luke Stubbs

"Is the Locksway Road roundabout safe?"

This and supplementary questions were answered by the Cabinet Member for Traffic and Transportation, Councillor Jason Fazackarley.

**77 Date of 2014 Mayor Making/Annual Council meeting**

It was

Proposed by Councillor Gerald Vernon-Jackson  
Seconded by Councillor Hugh Mason

That the date of the 2014 Mayor-making and Annual Council is changed to 3 June 2014.

Upon being put to the vote this was CARRIED.

**RESOLVED that the date of the 2014 Mayor Making and Annual Council meeting be 3 June 2014.**

The meeting concluded at 6.42 pm.

Lord Mayor

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**Portsmouth**  
**CITY COUNCIL**

**COUNCIL MEETING**

**QUESTIONS BY THE PUBLIC AT COUNCIL MEETINGS  
UNDER STANDING ORDER NO 25**

**CITY COUNCIL MEETING – 15 OCTOBER 2013**

**QUESTION NO 1**

**FROM: MR LES CUMMINGS**

**TO REPLY: LEADER OF THE COUNCIL  
COUNCILLOR GERALD VERNON-JACKSON**

I would like to ask Cllr Vernon-Jackson if he has read in full the Serious Case Review on Child D and in accordance to media comments made by PCC in which PCC stated – ‘Lessons have been learnt’ can he tell us today what lessons have been learnt and what policy changes have PCC made to ensure children in Portsmouth are now safer?

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## **CABINET**

(from 7 October 2013)

CAB

### **Adoption of the Hampshire Minerals and Waste Plan (Cabinet minute 69 refers)**

The purpose of the report is to seek City Council approval to formally adopt the Hampshire Minerals and Waste Plan (HMWP).

**RECOMMENDED to the City Council that it :**

- 1. Formally adopts the Hampshire Minerals and Waste Plan as part of the city's development plan; and**
- 2. Authorises the City Development Manager to make editorial amendments to the Hampshire Minerals and Waste Plan prior to final publication, in consultation with the Cabinet Member for Planning, Regeneration and Economic Development, so long as they do not alter the meaning of the plan.**

CAB

### **Treasury Management Outturn 2013/13 (Cabinet minute 71 refers)**

The purpose of the paper is to report on:

- The outturn Prudential Indicators for 2012/13
- The Treasury Management decisions taken over the course of 2012/13

**RECOMMENDED to Council that the following recommendations relating to Appendices A and B of this report be approved:**

**Appendix A - That the following actual prudential indicators based on the unaudited draft accounts be noted:**

- (a) The actual ratio of non Housing Revenue Account (HRA) financing costs to the non HRA net revenue stream of 12.0%;**
- (b) The actual ratio of HRA financing costs to the HRA net revenue stream of 14.1%;**
- (c) Actual non HRA capital expenditure for 2012/13 of £36,783,000;**
- (d) Actual HRA capital expenditure for 2012/13 of £18,559,000;**
- (e) The actual non HRA capital financing requirement as at 31 March 2013 of £278,198,000;**
- (f) The actual HRA capital financing requirement as at 31 March 2013 of £142,010,000;**

- (g) Actual external debt as at 31 March 2013 was £450,283,442 compared with £455,731,045 at 31 March 2012.

**Appendix B** - That the following actual Treasury Management indicators for 2012/13 be noted:

- (a) The Council's gross debt less investments at 31 March 2013 was £204,215,000;
- (b) The maturity structure of the Council's borrowing was

	Under 1 Year	1 to 2 Years	3 to 5 Years	6 to 10 Years	11 to 20 Years	21 to 30 Years	31 to 40 Years	41 to 50 Years
<b>Actual</b>	4%	1%	3%	5%	9%	13%	11%	54%

- (c) The Council's sums invested for periods longer than 364 days at 31 March 2013 were:

	Actual £m
31/3/2013	100
31/3/2014	39
31/3/2015	19

- (d) The Council's fixed interest rate exposure at 31 March 2013 was £258m, ie. the Council had net fixed interest rate borrowing of £258m
- (e) The Council's variable interest rate exposure at 31 March 2013 was (£146m), ie. the Council had net variable interest rate investments of £146m

**Budget & Performance monitoring 2013/14 (1st Quarter) to end June 2013 (Cabinet minute 73 refers)**

CAB

The purpose of the report is to update members on the current Revenue Budget position of the Council as at the end of the first quarter for 2013/14 in accordance with the proposals set out in the "Portsmouth City Council Budget 2012/13 to 2016/17" report approved by the City Council on 12 February 2013.

To also take the opportunity to report on the key performance measures of the Council and highlight any relationships between financial performance and service performance that may indicate any potential or emerging matters of concern in relation to either.

**RECOMMENDED to Council that:**

- (1) The contents of this report be noted, in particular the overall forecast overspend of £2,285,200 representing a variance of 1.23% against the City Council Budget (as adjusted) of £186,048,075.

- (2) **Where they have not already been considered by Cabinet, reports are prepared for the Cabinet in November setting out the options for significantly reducing or eliminating the adverse budget position presently being forecast by the Children & Education, Health & Social Care and Traffic & Transportation Portfolios, including the associated impact of doing so.**

CAB

**Revenue Outturn - Draft Financial Statements 2012/13  
(Cabinet minute 74 refers)**

The purpose of this report is to:

- Inform Members of the overall Revenue Outturn for 2012/13 (subject to the completion of the audit) compared with the Revised Budget 2012/13
- Briefly describe the main variances against the Revised Budget for 2012/13
- Set out the cash limit reductions to Portfolios in the current year arising from the claw back of overspendings against 2012/13 cash limits
- Inform Members of the final outturn position of both the Housing Revenue Account (Council Housing Account) and the Collection Fund (Council Tax and Business Rates Collection Account)
- Make recommendations for the use of the resultant improvement in the financial position of the City Council compared to the forecast financial position as set out in the Portsmouth City Council Budget 2012/13 to 2016/17 report approved on the 12th February 2013

**RECOMMENDED to Council that:**

- (1) **The final outturn position for 2012/13 (subject to audit) be noted in respect of the General Fund, Collection Fund and Housing Revenue Account**
- (2) **That the following reduction in the 2013/14 cash limits related to the “Claw back” of overspendings in 2012/13 are noted:**
- Children & Education £3,000  
Leader £3,000**
- (3) **The sum of £5,000,000 be transferred to the Revenue Reserve for Capital to supplement the Capital Resources available in order to accelerate the Council's current strategy to drive economic growth and jobs within the City**
- (4) **The sum of £439,000 be transferred from General Reserves to the Medium Term Resource Strategy Reserve in order to replenish the reserve to a level that is sufficient to finance future spend to save schemes, feasibility studies and staff redundancy costs.**

- (5) In the event that the external auditors require any adjustments to the Final Accounts for 2012/13 that alter the overall net improvement in the Council's position from £5,439,000, the Head of Finance & Section 151 Officer be authorised to, in the first instance, adjust the transfer to the Medium Term Resource Strategy Reserve accordingly and, if necessary, the transfer to the Revenue Reserve for Capital for any remaining sum.**

Councillor Gerald Vernon-Jackson  
Leader of the Council



Agenda item:

**Decision maker:** The Cabinet 7<sup>th</sup> October 2013  
City Council 15<sup>th</sup> October 2013

**Subject:** Adoption of the Hampshire Minerals and Waste Plan

**Report by:** City Development Manager

**Wards affected:** All

**Key decision (over £250k):**

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**1. Purpose of report**

- 1.1 The purpose of this report is to seek City Council approval to formally adopt the Hampshire Minerals and Waste Plan (HMWP).

**2. Recommendations**

**The City Council is recommended to:**

- 1. Formally adopt the Hampshire Minerals and Waste Plan as part of the city's development plan; and**
- 2. Authorise the City Development Manager to make editorial amendments to the Hampshire Minerals and Waste Plan prior to final publication, in consultation with the Cabinet Member for Planning, Regeneration and Economic Development, so long as they do not alter the meaning of the plan.**

**3. Background**

- 3.1 As a Minerals and Waste Planning Authority, the city council is required to produce a development plan that sets out the principles for dealing with minerals and waste development.
- 3.2 The city council has formed a partnership with Hampshire County Council, Southampton City Council, the New Forest and South Downs National Park Authorities for the purpose of producing a Minerals and Waste Plan. The partner authorities have researched, produced, consulted on and taken through an independent examination a joint plan. Subject to some modifications, the Inspector has found the plan sound, and it can now be adopted.

### Examination of the Plan & Inspector's Recommendations

- 3.3 Following an extensive preparation, consultation and testing process, the five partner authorities approved the draft plan in October 2011. Following a subsequent public consultation on the soundness of the Plan, the HMWP was submitted to the Secretary of State on 29 February 2012. An independent Public Examination into the soundness of the Plan was conducted, with hearings held in June 2012 and March 2013. In May 2013, the partners received the Inspector's report which concluded that all the legal requirements had been met, and that, subject to modifications, the plan was sound.
- 3.4 Officers propose to make all the recommended changes before adoption, as they serve to overcome objections to the plan and make the plan sound. The plan cannot be adopted without making the modifications. A copy of the Inspector's report and the full schedule of modifications are available on the County Council's website.

### Overview of the final Minerals & Waste Plan

- 3.5 The HMWP covers the period up to 2030. It aims to deliver sustainable minerals and waste development in Hampshire ensuring the right development, in the right place, at the right time. The aim is to supply sufficient minerals to support the economy and to deal with waste effectively, while protecting Hampshire's environment and communities from the impacts of such development.
- 3.6 A large part of the plan sets out proposals for land won minerals, which affect the more rural parts of Hampshire. It also proposes sites for strategic waste management facilities, none of which are in Portsmouth. There are, however, some elements of the plan, which relate directly to sites in Portsmouth:
- The policy on aggregates wharves and rail depots lists those existing sites where capacity is to be maximised where possible, which could include improved infrastructure or expansion. Kendalls Wharf is on that list, while Tipner Wharf is excluded. The plan recognises that some existing sites offer important opportunities for regeneration.
  - Land in the dockyard and the commercial port has the potential to contribute to capacity for transporting waste and/or minerals by water. For this reason, a policy safeguards any land that might become available in these areas, so that consideration can be given to its use for minerals and waste wharf infrastructure. There was some debate over the status of this policy during the hearings, sparked largely by concerns over land at Dibden Bay in the west of the plan area, but the Inspector clarified that the policy does not presume development of any land mentioned in the policy. The policy does not mean that the land is allocated for minerals and waste use, or that other uses should not be considered or permitted; it is simply a safeguarding to allow minerals and waste use to be considered as one possible option.

- The industrial areas in the north of the city are shown to be potential areas for new waste management facilities (waste transfer, recycling and recovery and enclosed / industrial activities). Activities involving open areas will only be supported if they do not have adverse environmental impacts, and if noise and emissions are controlled by effective enclosure and other techniques. Any facility will be subject to further assessment regarding its suitability for the specific site proposed.
- Existing strategic facilities are safeguarded against redevelopment and inappropriate encroachment. This includes the Portsmouth Incinerator and the Paulsgrove Household Waste Recycling Centre. The plan also allows for extensions of such safeguarded sites, where suitable.

3.7 The full plan can be viewed on the Hampshire County Council website at [http://consult.hants.gov.uk/portal/pdpp/hmwp -  
draft for consideration at cabinet july 2013?tab=files](http://consult.hants.gov.uk/portal/pdpp/hmwp_-_draft_for_consideration_at_cabinet_july_2013?tab=files)

3.8 Since the public examination of the HMWP, the issue of 'fracking' has come to the forefront of public attention. Adopting this plan will help provide the City Council with a robust framework for dealing with any such applications, as it specifically considers oil and gas development, (including fracking), through Policy 24 (Oil and Gas Development). The plan clearly sets out the expectation that the environment and communities will be protected from the impacts of Minerals and Waste development,(including fracking) through Policy 10 (Protecting Health, Safety and Amenity). Without the plan, the council would not have these policies to back up any decisions on planning applications and instead would have to rely on the Hampshire Minerals and Waste Core Strategy which is out of date and not as robust in its policies with regards to protecting the environment and communities.

3.9 It is considered that the provisions of the plan are appropriate and are consistent with agreed plans for development in the city. Finalising the HMWP will ensure that the city and its partners have an up-to-date planning framework for minerals and waste development. It is therefore recommended that the plan be adopted.

#### **4. Reasons for recommendations**

4.1 The recommendations are made to accord with legal requirements governing the production of Development Plans, and to make the Hampshire Minerals and Waste Plan part of the development plan for the area.

4.2 It is important that the work on the HMWP is completed through the adoption of the plan, so that future planning applications for mineral and waste development can be assessed against a robust and up to date set of planning policies.

4.1 The HMWP has been devised jointly by 5 planning authorities and it is intended that each will adopt the Plan. However, the process for each authority to adopt the Plan will be undertaken separately by the authorities and as each

progresses with adoption, it may become apparent that minor textual changes are necessary. To allow for such changes to be made, so that each authority has a version of the HMWP on adoption that is consistent with the others, it is recommended that the City Development Manager be authorised to make editorial amendments in consultation with the Cabinet Member for Planning, Regeneration and Economic Development, so long as they do not alter the meaning of the plan and achieve consistency with the Plan to be adopted by the joint authorities.

## **5. Equality impact assessment (EIA)**

- 5.1 The Equalities Duty and its three aims has been considered as the plan has been put together. It has been concluded that the adoption and implementation of the plan would not result in a disproportionately negative impact on any equality group. As such, a full equalities impact assessment is not required.

## **6. Legal comments**

- 6.1 The Inspector has concluded that, with the main modifications set out in his report, the Hampshire Minerals and Waste Plan satisfies the requirements of Section 20(5) of the Planning and Compulsory Purchase Act 2004, as amended, and the associated Regulations, and meets the tests of soundness set out in the National Planning Policy Framework.
- 6.2 The HMWP is an important development plan document which is a material consideration in determining planning applications, and in regard to other development control, planning and regeneration initiatives. The Council should move to formal adoption as soon as possible to ensure that developers, businesses and residents affected by the HMWP proposals and policies have clarity regarding the impact the details of the HMWP may have on their own plans and proposals.

## **7. Finance comments**

- 7.1 There are no immediate financial implications arising from the adoption of the HMWP plan.

.....  
Signed by City Development Manager

**Background list of documents: Section 100D of the Local Government Act 1972**

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

<b>Title of document</b>	<b>Location</b>
Inspectors report	<a href="http://www3.hants.gov.uk/mineralsandwaste/planning-policy-home.htm">http://www3.hants.gov.uk/mineralsandwaste/planning-policy-home.htm</a>
Schedules of main and minor modifications	<a href="http://www3.hants.gov.uk/mineralsandwaste/planning-policy-home.htm">http://www3.hants.gov.uk/mineralsandwaste/planning-policy-home.htm</a>

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by ..... on .....

.....  
Signed by:

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<b>Decision maker:</b>	Cabinet City Council
<b>Subject:</b>	Treasury Management Outturn 2012/13
<b>Date of decision:</b>	26 September 2013 (Governance and Audit and Standards Committee) 7 October 2013 (Cabinet) 15 October 2013 (City Council)
<b>Report by:</b>	Chris Ward, Head of Financial Services & Section 151 Officer
<b>Wards affected:</b>	All
<b>Key decision:</b>	No
<b>Budget &amp; policy framework decision:</b>	No

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## 1. Summary

The Chartered Institute of Public Finance and Accountancy's (CIPFA) Prudential Code requires local authorities to calculate prudential indicators before the start of and after each financial year. Those indicators that the Council is required to calculate at the end of the financial year are contained in Appendix A of this report.

The CIPFA Code of Practice on Treasury Management also requires the Section 151 Officer to prepare an annual report on the outturn of the previous year. This information is shown in Appendix B of the report.

## 2. Purpose of report

The purpose of this paper is to report on:

- The outturn Prudential Indicators for 2012/13
- The Treasury Management decisions taken over the course of 2012/13

### **3. Background**

The Local Government Act 2003 requires local authorities to have regard to the Chartered Institute of Public Finance and Accountancy's (CIPFA) Prudential Code for Capital Finance in Local Authorities.

The Prudential Code requires local authorities to adopt the CIPFA Code of Practice for Treasury Management in the Public Sector, which the City Council originally adopted in April 1994. Under the Code of Practice for Treasury Management an Annual Policy Statement is prepared setting out the strategy and objectives for the coming financial year. The Cabinet approved the policy statement for 2012/13 on 20 March 2012.

The Code of Practice also requires the Section 151 Officer to prepare an annual report on the outturn of the previous year. This information is shown under Appendix B of the report.

This report is based on the Council's unaudited draft accounts as the audit is not due to be completed until the end of September. Basing the report on the unaudited draft accounts will enable the report to be considered in the September / October meeting cycle rather than in November.

### **4. Recommendations**

That the following recommendations relating to Appendices A and B of this report be approved:

Appendix A - That the following actual prudential indicators based on the unaudited draft accounts be noted:

- (a) The actual ratio of non Housing Revenue Account (HRA) financing costs to the non HRA net revenue stream of 12.0%;
- (b) The actual ratio of HRA financing costs to the HRA net revenue stream of 14.1%;
- (c) Actual non HRA capital expenditure for 2012/13 of £36,783,000;
- (d) Actual HRA capital expenditure for 2012/13 of £18,559,000;
- (e) The actual non HRA capital financing requirement as at 31 March 2013 of £278,198,000;
- (f) The actual HRA capital financing requirement as at 31 March 2013 of £142,010,000;
- (g) Actual external debt as at 31 March 2013 was £450,283,442 compared with £455,731,045 at 31 March 2012.



Appendix B - That the following actual Treasury Management indicators for 2012/13 be noted:

- (a) The Council's gross debt less investments at 31 March 2013 was £204,215,000;
- (b) The maturity structure of the Council's borrowing was

	Under 1 Year	1 to 2 Years	3 to 5 Years	6 to 10 Years	11 to 20 Years	21 to 30 Years	31 to 40 Years	41 to 50 Years
Actual	4%	1%	3%	5%	9%	13%	11%	54%

- (c) The Council's sums invested for periods longer than 364 days at 31 March 2013 were:

	Actual £m
31/3/2013	100
31/3/2014	39
31/3/2015	19

- (d) The Council's fixed interest rate exposure at 31 March 2013 was £258m, ie. the Council had net fixed interest rate borrowing of £258m
- (e) The Council's variable interest rate exposure at 31 March 2013 was (£146m), ie. the Council had net variable interest rate investments of £146m

## 5. Implications

The net cost of Treasury Management activities and the risks associated with those activities have a significant effect on the City Council's overall finances. Effective Treasury Management provides support to the organisation in the achievement of its business and service objectives.

**6. Legal implications**

The Section 151 Officer is required by the Local Government Act 1972 and by the Accounts and Audit Regulations 2011 to ensure that the Council's budgeting, financial management, and accounting practices meet the relevant statutory and professional requirements. Members must have regard to and be aware of the wider duties placed on the Council by various statutes governing the conduct of its financial affairs.

**7. Head of Finance's comments**

All financial considerations are contained within the body of the report and the attached appendices

.....  
Signed by Head of Financial Services & Section 151 Officer

**Appendices:**

**Appendix A: Prudential Indicators**

**Appendix B: Treasury Management Outturn**

**Background list of documents: Section 100D of the Local Government Act 1972**

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

<b><u>Title of document</u></b>	<b>Location</b>
1 Treasury Management Files	Financial Services
2	

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by the City Council on 15 October 2013.

.....  
Signed by: the Leader of the Council

**ACTUAL PRUDENTIAL INDICATORS**

**1. RATIO OF FINANCING COSTS TO NET REVENUE STREAM 2012/13**

This ratio reflects the annual cost of financing net debt as a proportion of the total revenue financing received. It therefore represents the proportion of the City Council's expenditure that is largely fixed and committed to repaying debt. The higher the ratio, the lower the flexibility there is to shift resources to priority areas and/or reduce expenditure to meet funding shortfalls.

For the General Fund, this is the annual cost of financing debt and as a proportion of total income received from General Government Grants, Non Domestic Rates and Council Tax. The ratios of financing costs to net revenue streams for the General Fund in 2012/13 were as follows:

	<b>Original Estimate</b>	<b>Actual</b>
	£'000	£'000
<b>Financing Costs:</b>		
Interest Payable	15,377	18,091
Interest Receivable	(1,569)	(3,794)
Provision for Repayment of Debt	9,451	8,536
Effect of financial regulations on premiums & discounts	-	-
<b>Total Financing Costs</b>	<b>23,259</b>	<b>22,833</b>
<b>Net Revenue Stream</b>	<b>196,512</b>	<b>191,040</b>
<b>Ratio of Financing Costs to Net Revenue Stream</b>	<b>11.8%</b>	<b>12.0%</b>

Interest Payable was £2.7m more than the original estimate. This is mainly due undertaking additional borrowing on 28 March 2012 in order to access the loans at the National Loans Fund (NLF) rate from the Public Works Loans Board (PWLB) made available in connection with HRA Self Financing. The NLF rate is typically 1.13% below the rates normally offered by the PWLB.

Interest Receivable was £2.2m more than the original estimates. This was due to additional investments arising from the additional borrowing from the PWLB on 28 March 2012.

The provision for the repayment of debt was £0.9m less than the original estimate due to a lower than anticipated capital financing requirement at the end of 2011/12 caused largely by slippage in the Capital Programme. The capital financing requirement is a measure of the Council's unfunded capital expenditure, ie. its need to borrow.

The ratio of Housing Revenue Account (HRA) financing costs to net revenue stream is shown below. For the HRA, this is the annual cost of financing long term debt, as a proportion of total gross income received including housing rents and charges.

	Original Estimate	Actual
HRA	12.0%	14.1%

The actual percentage of HRA financing costs to net revenue stream is higher than anticipated. This is because the actual HRA Item 8 consolidated interest rate, ie. the interest rate applied to HRA borrowing, was higher than estimated and actual gross HRA income was less than the original estimate.

## 2. ACTUAL CAPITAL EXPENDITURE 2012/13

There has been significant under spending against the original budget. This is mostly due to slippage or external funding not being available. Therefore the under spend does not represent additional capital resources. Actual capital expenditure in 2012/13 was as follows:

	Estimate £'000	Actual £'000
Culture & Leisure	3,645	985
Children's & Education Services	15,675	7,640
Environment & Community Safety	1,821	254
Health & Social Care (Adults Services)	790	438
Resources	8,205	5,256
Millennium	917	344
Planning, Regeneration & Economic Development	2,286	381
Commercial Port	4,799	4,780
Traffic & Transportation	24,195	14,869
Housing General Fund	2,604	1,836
<b>Total Non HRA</b>	<b>64,937</b>	<b>36,783</b>
HRA	26,108	18,559
<b>Total</b>	<b>91,045</b>	<b>55,342</b>

Actual capital expenditure was £35.7m below the original capital programme. The main variances were as follows:

#### Culture & Leisure - £2.6m Underspend

This underspend was due to slippage on the reprovision of Hillside and Wymering Community Centres, building the indoor tennis centre and the seafront Heritage Lottery Fund bid. The reprovision of Hillside and Wymering Community Centres was due to delays in obtaining funding and capacity constraints in the Design Service. Building the indoor tennis centre slipped due to delays in obtaining planning permission. The seafront Heritage Lottery Fund bid needed to be resubmitted.

#### Children's and Education Services - £8.1m Underspend

The main reasons for the underspend on the Children and Education capital programme was a £7m underspend due to the misprofiling of the schools' strategy budget. There was also a £0.7m underspend due to the delay in building the secondary special education needs provision and a £0.4m underspend on the Victory School build.

#### Environment & Community Safety - £1.6m Underspend

The capital programme included a £1.4m surface water flood alleviation scheme which was mostly funded by the Environment Agency. This scheme was subsequently abandoned as the Environment Agency decided to fund Southern Water to undertake these works.

#### Resources - £2.9m Underspend

There was £2m of slippage in capital loans advanced to the Council's subsidiary, MMD (Shipping Services) Ltd. MMD (Shipping Services) intended to construct a further warehouse on the understanding that they would obtain a new customer in 2013/14. This scheme has now been deferred to 2013/14 as the new customer is not now expected to start its operations in Portsmouth until 2015. In addition there was £0.5m of slippage on the roll out of Windows 7 whilst departments within the Council determined their specific requirements.

#### Planning, Regeneration and Economic Development - £1.9m Underspend

This is mostly due to the planned upgrade to roads serving the Northern Quarter being delayed until the Tipner motorway junction is completed in order to avoid too many restrictions being placed on the current road network whilst these schemes are constructed.

### Traffic & Transportation - £9.3m Underspend

This underspend relates to the Tipner motorway junction and park and ride scheme, and the rebuilding of Northern Road Bridge which were at an early stage of planning when the capital programme was prepared. Consequently the phasing of these schemes needed to be refined as they progressed.

### Housing Revenue Account (HRA) - £7.5m Underspend

Phase 1 of the Somerstown Hub has been subject to slippage due to protracted negotiations with the Primary Care Trust. Phase 2 of the Somerstown scheme has been abandoned. The construction of new dwellings on Eastern Road has been delayed due to planning issues. In addition some schemes to existing dwellings have been postponed as more work is required than was originally thought.

## **3. ACTUAL CAPITAL FINANCING REQUIREMENT**

This represents the underlying requirement to borrow for capital expenditure. It takes the total value of the City Council's fixed assets and determines the amount that has yet to be repaid or provided for within the Council's accounts. The capital financing requirement also forms the basis of the calculation of the amount of money that has to be set aside for the repayment of outstanding General Fund debt. The capital financing requirement is increased each year by any new borrowing and reduced by any provision for the repayment of debt. The higher the capital financing requirement, the higher the amount that is required to be set aside for the repayment of debt in the following year.

The actual capital financing requirements as at 31<sup>st</sup> March 2013 were as follows:

	<b>Original Estimate</b>	<b>Actual</b>
	£'000	£'000
Non HRA	290,269	278,198
HRA	143,924	142,010
Total	434,193	420,208

The capital financing requirement is lower than the original estimate due to less capital works being undertaken in 2012/13 than had been planned.

#### **4. ACTUAL EXTERNAL DEBT**

At 31 March 2013, the City Council's level of external debt amounted to £450,283,442 consisting of the following:

- Long Term Borrowing £361,524,450
- Finance leases £4,537,991
- Service concessions (including PFI schemes) £84,221,001

The overall level of debt, excluding debt managed by Hampshire County Council, has reduced between 2011/12 and 2012/13 by £5,447,603.

#### **5. CODE OF PRACTICE**

The Prudential Code requires local authorities to adopt CIPFA's Code of Practice for Treasury Management in Local Authorities. The City Council has complied with this code.



**TREASURY MANAGEMENT DECISIONS 2012/13****1. GOVERNANCE**

Treasury management activities were performed within the Prudential Indicators approved by the City Council.

Treasury management activities were also performed in accordance with the Treasury Management Policy Statement, Annual Minimum Revenue Provision for Debt Repayment Statement and Annual Investment Strategy approved by the City Council.

**2. FINANCING OF CAPITAL PROGRAMME**

The 2012/13 capital programme was financed as follows:

Source of Finance	Anticipated £'000	Actual £'000
Corporate Reserves (including Capital Receipts)	9,499	5,414
Grants & Contributions	40,077	27,546
Revenue & Reserves	26,885	16,729
Long Term Borrowing	14,584	5,653
Total	<u>91,045</u>	<u>55,342</u>

There was significant slippage in the capital programme and some schemes were curtailed or abandoned. This meant that less capital resources were used to finance the capital programme.

**3. ECONOMIC BACKGROUND**

During the quarter ended 31 March household spending strengthened, both on and off the high street; unemployment rose for the first time in a year; inflation remained stubbornly above the Monetary Policy Committee's (MPC) 2% target; three members of the MPC voted for further quantitative easing; UK equity prices rose and sterling fell; and the US economic recovery gathered pace.

#### 4. GROSS AND NET DEBT

The Council's net borrowing position at 31 March 2013 excluding accrued interest was as follows:

	1 April 2012	31 March 2013
	£'000	£'000
Supported Borrowing	192,914	185,802
Housing Revenue Account (HRA) Self Financing (Unsupported)	88,619	85,665
Other Unsupported Borrowing	79,991	86,706
<b>Sub Total - Borrowing</b>	<b>361,524</b>	<b>358,173</b>
<b>Finance Leases (Unsupported)</b>	<b>5,335</b>	<b>4,538</b>
Private Finance Initiative (PFI) Schemes (Supported)	74,119	73,349
Waste Disposal Service Concession Arrangement (Unsupported)	11,364	10,872
<b>Sub Total - Service Concession Arrangements (including PFIs)</b>	<b>85,483</b>	<b>84,221</b>
<b>Gross Debt</b>	<b>452,342</b>	<b>446,932</b>
Investments	(238,637)	(246,068)
<b>Net Debt</b>	<b>213,705</b>	<b>200,864</b>

Prior to 1 April 2004 local authorities were only permitted to borrow to the extent that the Government had granted credit approvals. When the Government granted credit approvals it also increased the Council's revenue grant to cover most of the cost of the resulting borrowing. This is known as supported borrowing and accounts for £186m (or 52%) of total borrowing.

From 1 April 2004 the Council was permitted to borrow without government support, known as unsupported borrowing. On 28 March 2012 the Council made a capital payment of £88.6m to the Government under the HRA Self Financing arrangements in order to avoid future and greater payments to the Government. This was funded by unsupported borrowing.

Revenue grants from the Government also cover most of the £73m financing element of the Milton Cross School, highways and learning disabilities facilities private finance initiative (PFI) schemes.

In essence the Government funds most of the financing costs associated with 58% of the Council's debt.

The Council has a high level of investments relative to its gross debt due to a high level of reserves, partly built up to meet future commitments under the Private Finance Initiative schemes and future capital expenditure. However these reserves are fully committed and are not available to fund new expenditure. The £84m of borrowing taken in 2011/12 to take advantage of the very low PWLB rates has also temporarily increased the Council's cash balances.

The current high level of investments increases the Council's exposure to credit risk, ie. the risk that an approved borrower defaults on the Council's investment. In the interim period where investments are high because loans have been taken in advance of need, there is also a short term risk that the rates (and therefore the cost) at which money has been borrowed will be greater than the rates at which those loans can be invested. The level of investments will fall as capital expenditure is incurred and commitments under the Private Finance Initiative (PFI) schemes are met.

## **5. DEBT RESCHEDULING**

Under certain circumstances it could be beneficial to use the Council's investments to repay its debt. However this normally entails paying a premium to the lender, namely the Public Works Loans Board (PWLB). Debt rescheduling is only beneficial to the revenue account when the benefits of reduced net interest payments exceed the cost of any premiums payable to the lender. Debt rescheduling opportunities have been limited in the current economic climate and by the structure of interest rates following increases in PWLB new borrowing rates in October 2010.

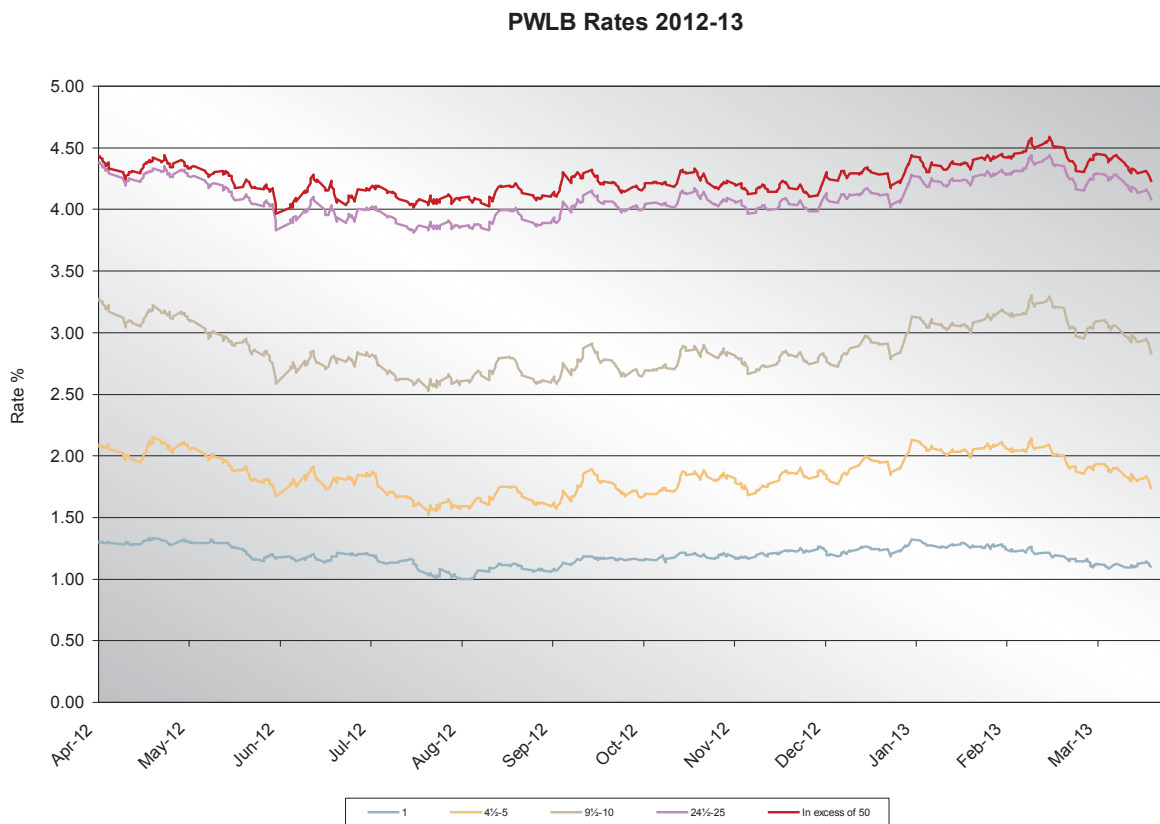
No debt rescheduling was undertaken in 2012/13.

## 6. BORROWING ACTIVITY

On 20<sup>th</sup> March 2012 the Council gave the Head of Financial Services and Section 151 Officer delegated authority to borrow up to £50m in advance of need as measured by the Capital Financing Requirement from 23<sup>rd</sup> March 2012 in order to fund the HRA Self Financing payment at the National Loans Fund rates offered by the Government. This was the estimated borrowing required to support the Council's capital programme until 2016/17.

On 28<sup>th</sup> March 2012 the Council borrowed £88.6m from the PWLB at NLF rates. As a consequence the Council's external debt exceeded its capital financing requirement by £30.1m at 31<sup>st</sup> March 2013.

PWLB rates in 2012/13 were as follows:



No new long term borrowing was undertaken in 2012/13.

## 7. REFINANCING RISK

In recent years the cheapest loans have often been very long loans repayable at maturity.

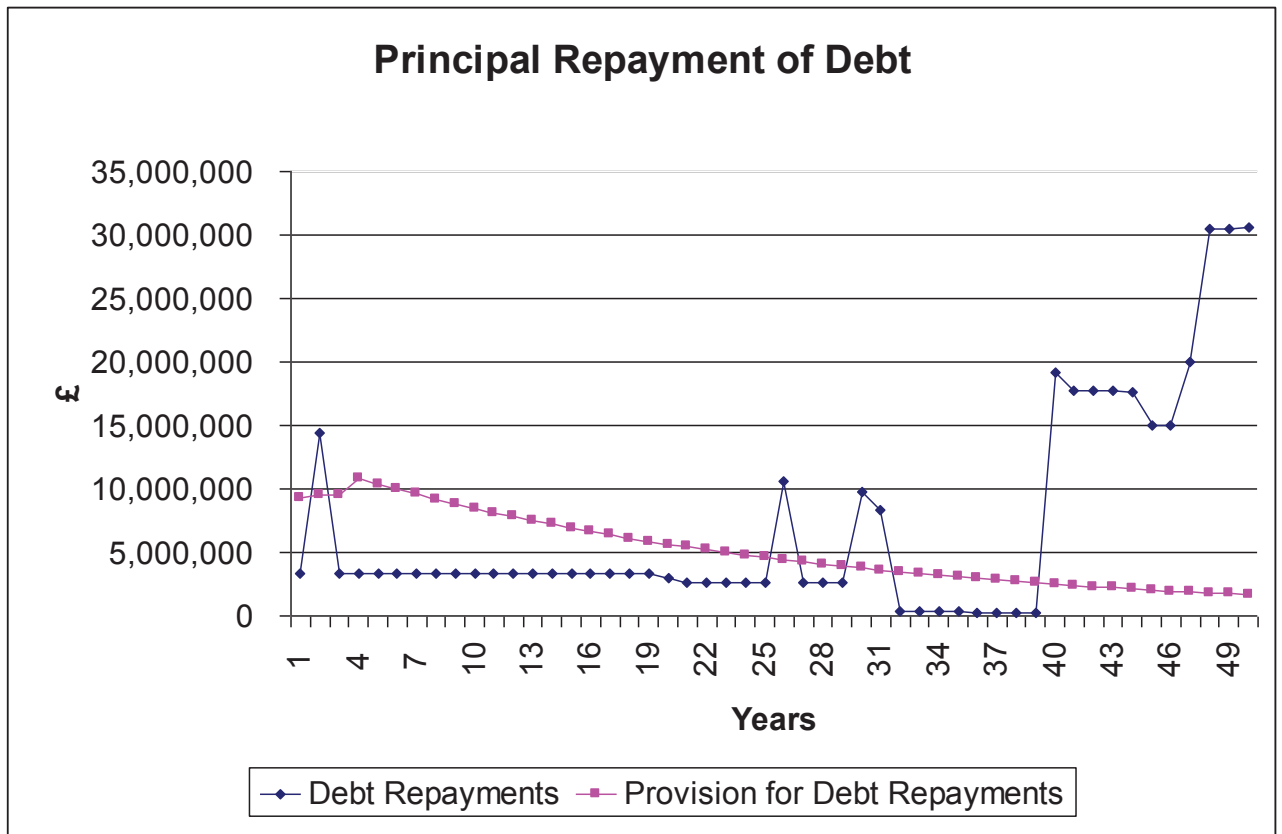
During 2007/08 the Council rescheduled £70.8m of debt. This involved repaying loans from the Public Works Loans Board (PWLB) early and taking out new loans from the PWLB with longer maturities ranging from 45 to 49 years. The effect of the debt restructuring was to reduce the annual interest payable on the Council's debt and to lengthen the maturity profile of the Council's debt.

£50m of new borrowing was taken in 2008/09 to finance capital expenditure. Funds were borrowed from the PWLB at fixed rates of between 4.45% and 4.60% for between 43 and 50 years.

A further £173m was borrowed in 2011/12 to finance capital expenditure and the HRA Self Financing payment to the Government. Funds were borrowed from the PWLB at rates of between 3.48% and 5.01%. £89m of this borrowing is repayable at maturity in excess of 48 years. The remaining £84m is repayable in equal installments of principal over periods of between 20 and 31 years.

As a result of interest rates in 2007/08 when the City Council rescheduled much of its debt and interest rates in 2008/09 and 2011/12 when the City Council undertook considerable new borrowing 54% of the City Council's debt matures in over 40 years time.

The Government has issued guidance on making provision for the repayment of debt which the Council is legally obliged to have regard to. The City Council is required to make greater provision for the repayment of debt in earlier years. Therefore the City Council is required to provide for the repayment of debt well in advance of it becoming due. This is illustrated in graph below.



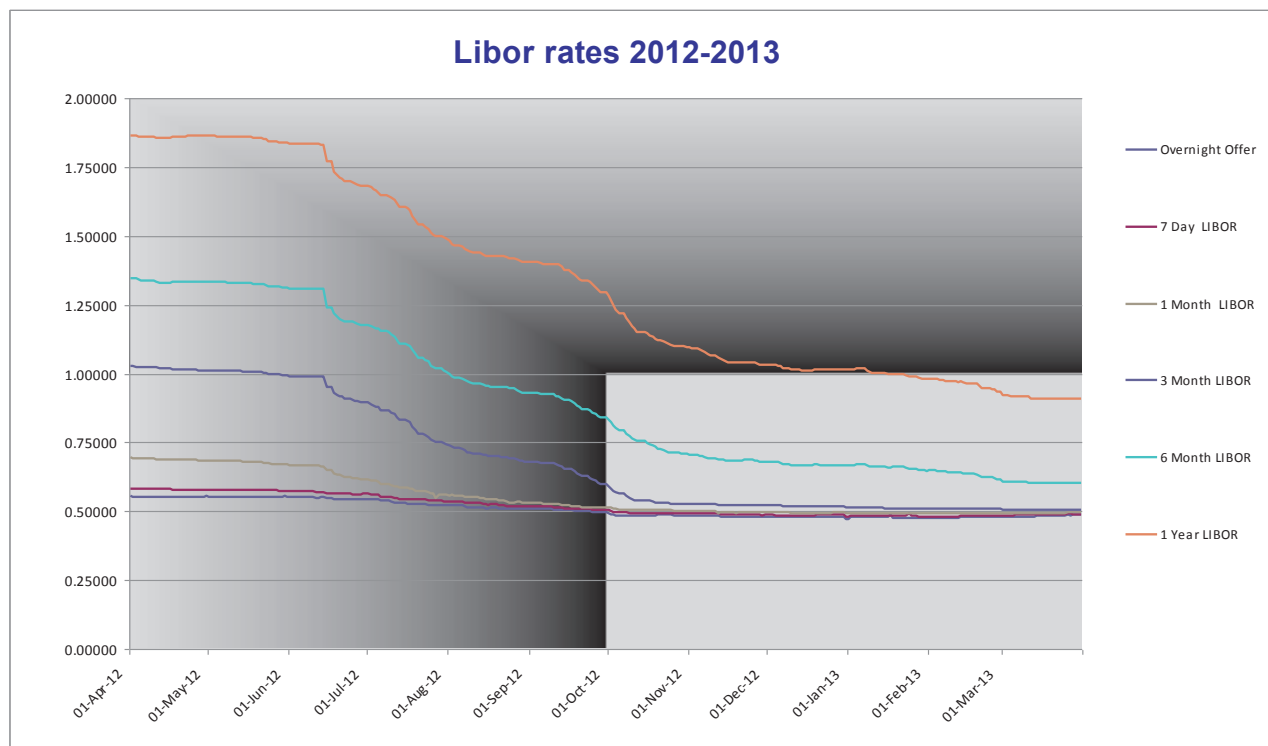
This means that it is necessary to invest the funds set aside for the repayment of debt with its attendant credit and interest rate risks (see sections 9 and 11). The City Council could reschedule its debt, but unless certain market conditions exist at the time, premium payments have to be made to lenders.

The CIPFA Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes require local authorities to set upper and lower limits for the maturity of borrowings in defined periods. The Council's performance against the limits set by the City Council is shown below.

	Under 1 Year	1 to 2 Years	3 to 5 Years	6 to 10 Years	11 to 20 Years	21 to 30 Years	31 to 40 Years	41 to 50 Years
Lower Limit	0%	0%	0%	0%	0%	0%	0%	0%
Upper Limit	6%	6%	18%	30%	60%	60%	60%	80%
Actual	4%	1%	3%	5%	9%	13%	11%	54%

## 8. INVESTMENT ACTIVITY

London inter bank lending rates in 2012/13 are shown in the graph below:



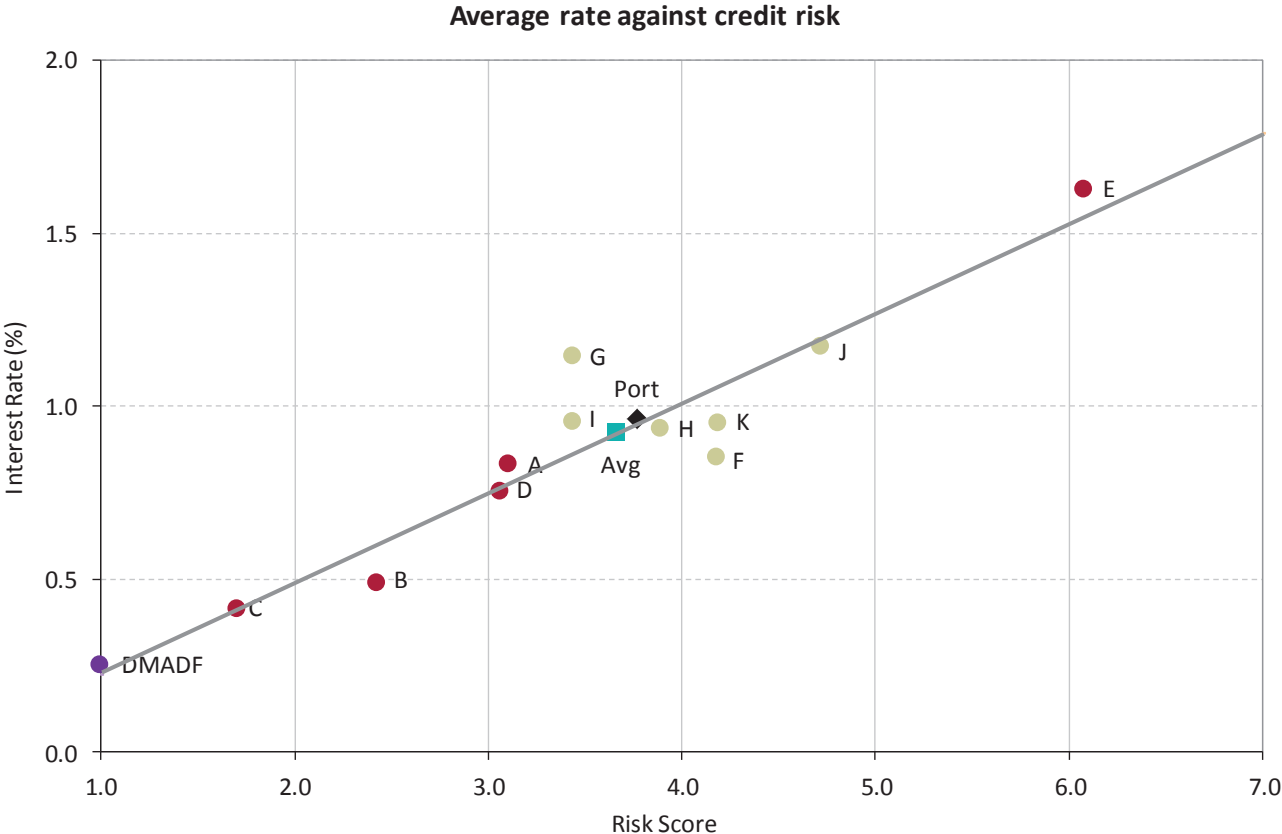
Bank base rate remained at 0.5% over the financial year and has remained unchanged since March 2009. While high demand and low supply of, cash had maintained rates at relatively high levels in comparison to bank base rate for much of this time, interest rates declined quickly from June 2012 after the Bank of England announced the Funding for Lending Scheme (FLS) and the Extended Collateral Term Repo (ECTR) facility. The FLS was designed to stimulate lending to individuals and companies by offering cheap funding to the banking sector. The influx of cheap Bank of England cash reduced banks' demand for cash from other sources and consequently placed downward pressure on market rates.

The City Council's overall returns on its investments fell as existing investments made prior to June 2012 matured and were replaced by new investments at the lower rates which were available at the time.

The average return on the Councils investments in 2012/13 was 0.96%.

In June 2012 Barclays Bank was downgraded by two of the three main credit rating agencies. The rating agencies expressed concerns about the concentration of risks in global investment banking and exposure to a weak operating environment, particularly in Spain and Italy, as well as in the UK together with the probability of government support reducing over the medium term. The rating agencies also expressed concerns following the resignation of Bob Diamond, the former Chief Executive, and the accompanying strategic uncertainty arising from this and other changes in management. The agencies believed that Barclays had been negatively affected by these changes along with revelations of poor business practices and weak compliance in relation to the setting of LIBOR rates. Consequently Barclay’s investment limit was reduced from £15m to £10m. At the time of the downgrade the Council had £15m invested with Barclays, £5m in excess of the revised investment limit. Barclays repaid the Council’s deposits with interest on the due dates. At 31 March 2013 the Council had £8m invested with Barlcays.

The City Council’s investment activities are benchmarked by Sterling Consultancy Services against 11 other councils. The graph below shows the councils’ average rates of return against credit risk.



Portsmouth is broadly positioned in the center of the line, close to the group average. The combination of long term, high quality deposits and shorter-term lower quality investments helped the Council gain returns above some authorities that have accepted relatively higher risk.



## 9. SECURITY OF INVESTMENTS

The risk of default has been managed through limiting investments in any institution to a maximum £20m, setting investment limits for individual institutions that reflect their financial strength and spreading investments over countries and sectors.

The 2012/13 Treasury Management Policy approved by the City Council on 20 March 2012 and amended by the City Council on 3 December only permitted deposits to be placed with the Council's subsidiaries, namely MMD (Shipping Services) Ltd, the United Kingdom Government, other local authorities and banks that have the following minimum credit ratings:

### Short Term Rating

F2 (or equivalent) from Fitch, Moody's (P-2) or Standard and Poor (A-2)

### Long Term Rating

BBB (except for the Co-operative Bank who hold the Council's main current accounts) or equivalent from Fitch, Moody's or Standard & Poor

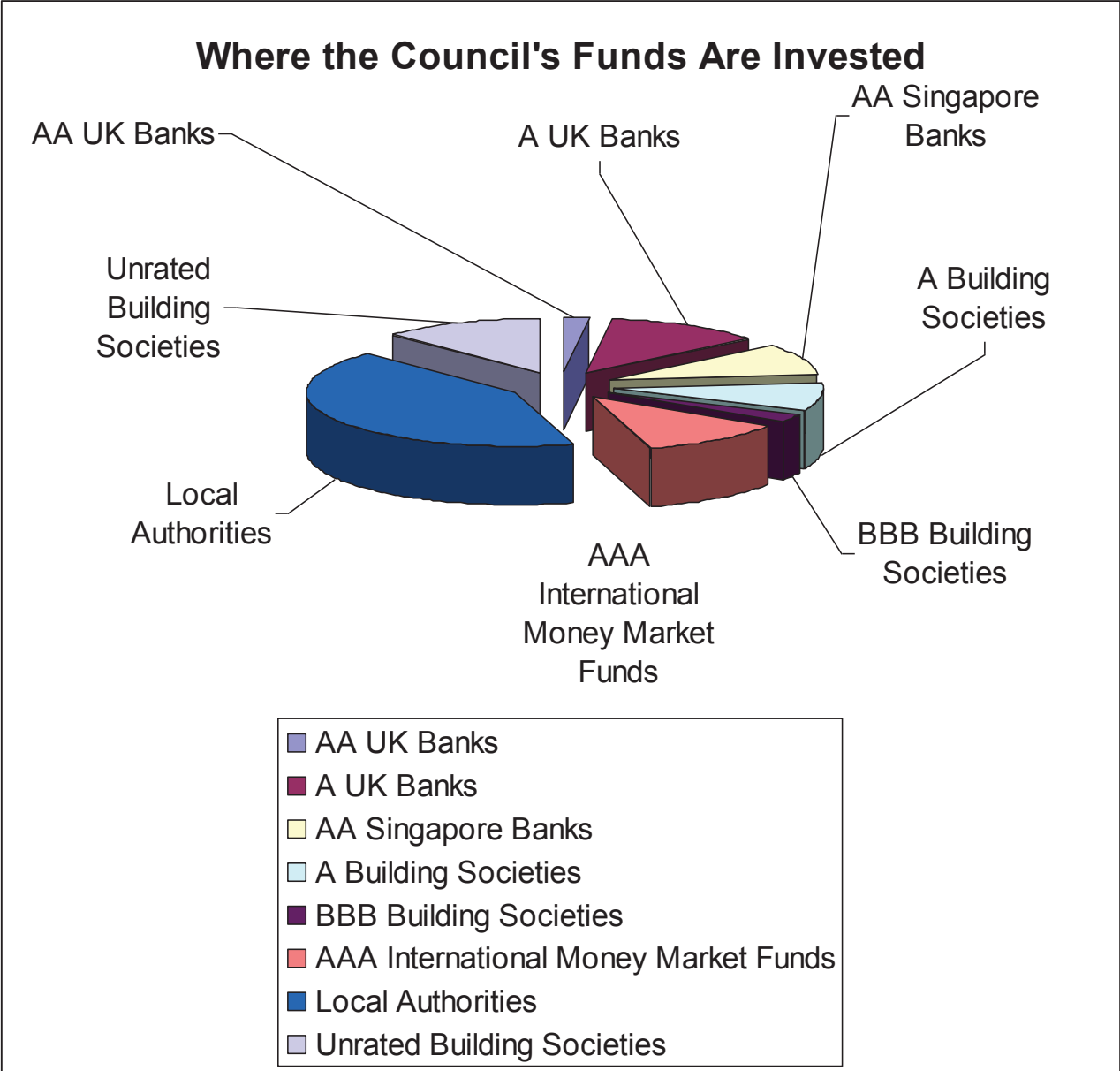
### Individual / Financial Strength Rating

C from Fitch or Moody's (Standard & Poor do not provide these ratings)

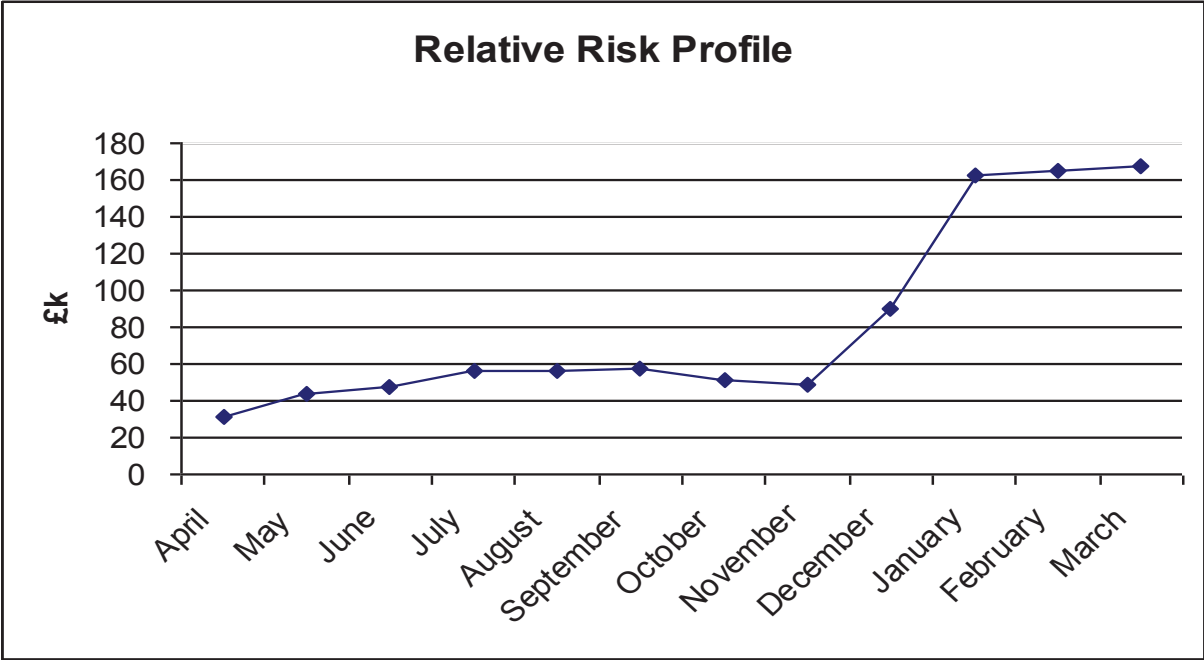
In addition on 3 December 2012 the City Council added nineteen unrated building societies and one building society with a single credit rating to the counter party list. These were drawn from the 36 largest building societies, but excluding those with especially large proportions of non-mortgage lending or wholesale funding, and those with particularly low levels of capital or liquidity, compared with the sector average.

At 31 March 2013 the City Council had on average £5.9m invested with each institution.

The chart below shows how the Council's funds were invested at 31 March 2013.



The credit rating agencies publish default rates for each rating category. Multiplying these default rates by the amount invested in each credit rating category provides a measure of risk that can be used as a benchmark to determine whether the City Council’s investment portfolio is becoming more or less risky over time as shown in the graph below.



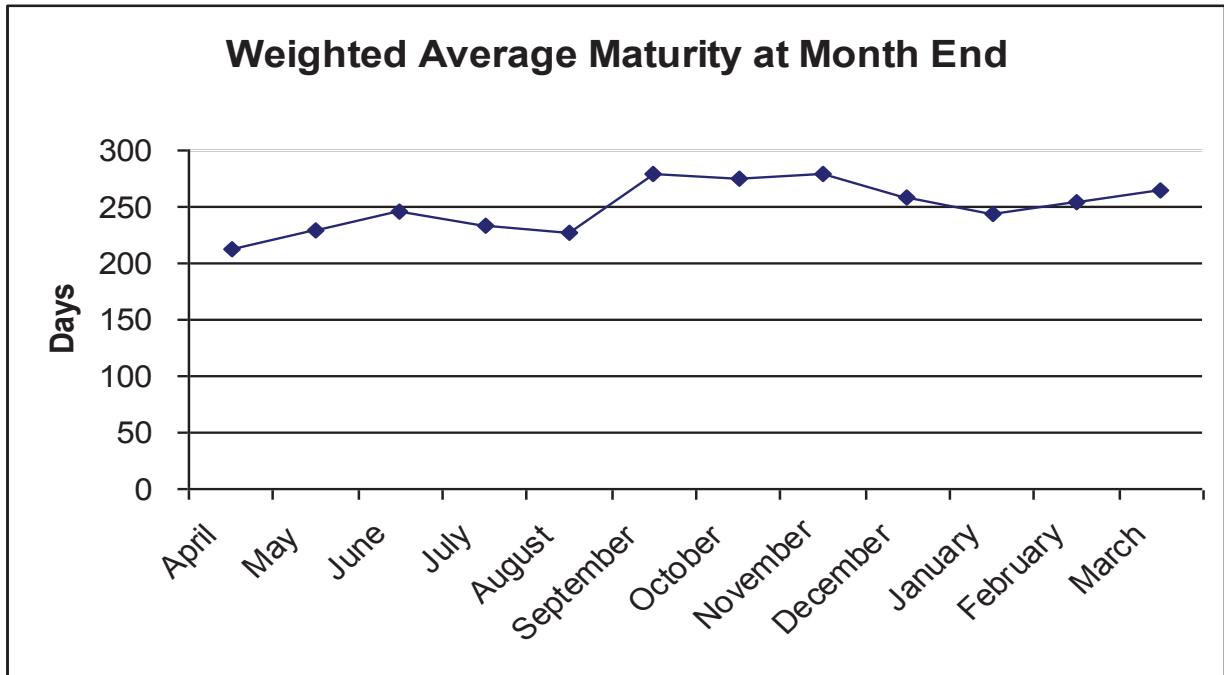
The City Council’s investment portfolio became relatively more risky over the first quarter of 2012/13. This is largely due to much less use being made of AAA rated money market funds that pay relatively low levels of interest.

There was a sharp increase in the riskiness of the investment portfolio in December and January. This is due to investments in unrated building societies which were added to the list of approved investments in the Mid Year Review. For the purposes of calculating the risk profile of the portfolio unrated building societies are assumed to be equivalent to a BBB- credit rating.

The above graph should be read in relative terms. A default occurs when sums due are not paid on time. A default does not mean that the sum invested will be lost permanently.

## 10. LIQUIDITY OF INVESTMENTS

The weighted average maturity of the City Council's investment portfolio started at 212 days in April and increased to 265 days in March as funds were available to invest longer to get a higher return. This is shown in the graph below.



The 2012/13 Treasury Management Policy sought to maintain the liquidity of the portfolio, ie. the ability to liquidate investments to meet the Council's cash requirements, through maintaining at least £10m in instant access accounts. At 31st March 2013 £27.8m was invested in instant access accounts. Whilst short term investments provide liquidity and reduce the risk of default, under normal circumstances they do also leave the Council exposed to falling interest rates. However, with interest rates close to zero that risk is now negligible.

Under CIPFA's Treasury Management Code it is necessary to specify limits on the amount of long term investments, ie. Investments exceeding 364 days that have maturities beyond year end in order to ensure that sufficient money can be called back to meet the Council's cash flow requirements. The Council's performance against the limits set by the City Council on 11th December 2012 is shown below.

	<b>Limit (Not Exceeding) £m</b>	<b>Actual £m</b>
31/3/2013	150	100
31/3/2014	90	39
31/3/2015	80	19

## 11. INTEREST RATE RISK

This is the risk that interest rates will move in a way that is adverse to the City Council's position.

The CIPFA Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes require local authorities to set upper limits for fixed interest rate exposures. Fixed interest rate borrowing exposes the Council to the risk that interest rates could fall and the Council will pay more interest than it need have done. Long term fixed interest rate investments expose the Council to the risk that interest rates could rise and the Council will receive less income than it could have received. However fixed interest rate exposures do avoid the risk of budget variances caused by interest rate movements. The Council's performance against the limits set by the City Council is shown below.

	<b>Limit £m</b>	<b>Actual £m</b>
Maximum Projected Gross Borrowing – Fixed Rate	378	358
Minimum Projected Gross Investments – Fixed Rate	-	(100)
Fixed Interest Rate Exposure	378	258

The CIPFA Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes also require local authorities to set upper limits for variable interest rate exposures. Variable interest rate borrowing exposes the Council to the risk that interest rates could rise and the Council’s interest payments will increase. Short term variable interest rate investments expose the Council to the risk that interest rates could fall and the Council’s investment income will fall. Variable interest rate exposures carry the risk of budget variances caused by interest rate movements. The Council’s performance against the limits set by the City Council is shown below.

	<b>Limit</b>	<b>Actual</b>
	<b>£m</b>	<b>£m</b>
Minimum Projected Gross Borrowing – Variable Rate	-	-
Maximum Projected Gross Investments – Variable Rate	(378)	(146)
Variable Interest Rate Exposure	(378)	(146)

## 12. REVENUE COSTS OF TREASURY MANAGEMENT ACTIVITIES IN 2012/13

Expenditure on treasury management activities against the revised budget is shown below.

### Interest 2012/13

	Revised Estimate 2012/13 £	Actual 2012/13 £	Variance +/- £
PWLB – Maturity Loans	10,570,396	10,570,396	-
PWLB - E.I.P Loans	4,146,980	4,146,980	-
Other Long Term Loans	511,500	511,500	-
HCC Transferred Debt	509,291	511,255	1,964
Interest on Finance Lease	251,329	252,937	1,608
Interest on Service Concession Arrangements (including PFIs)	9,055,760	9,062,366	6,606
Interest Payable to External Organisations	7,694	8,097	403
Net Premiums on Early Redemption of Loans	115,184	115,184	-
	<hr/> 25,168,134	<hr/> 25,178,715	<hr/> 10,581
<u>Deduct</u>			
Investment Income	(3,591,565)	(4,095,355)	(503,790)
	<hr/> <b>21,576,569</b>	<hr/> <b>21,083,360</b>	<hr/> <b>(493,209)</b>
<b>Provision for Repayment of Debt</b>	<b>11,488,842</b>	<b>11,490,083</b>	<b>1,241</b>
<b>Debt Management Costs</b>	<b>308,479</b>	<b>312,517</b>	<b>4,038</b>
	<hr/> <b>33,373,890</b>	<hr/> <b>32,885,960</b>	<hr/> <b>(487,930)</b>

There is a favorable balance on investment income as cash balances were higher than forecast and the Council was able to obtain higher interest rates on its investments than had been anticipated.

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**Decision maker:** Cabinet 7<sup>th</sup> October 2013  
City Council 15<sup>th</sup> October 2013

**Subject:** Budget & Performance Monitoring 2013/14 (1<sup>st</sup> Quarter) to end June 2013

**Report by:** Head of Finance & Section 151 Officer

**Wards affected:** All

**Key decision (over £250k):** Yes

## 1. Purpose of Report

- 1.1 The purpose of this report is to update members on the current Revenue Budget position of the Council as at the end of the first quarter for 2013/14 in accordance with the proposals set out in the "Portsmouth City Council Budget 2012/13 to 2016/17" report approved by the City Council on the 12<sup>th</sup> February 2013.

To also take the opportunity to report on the key performance measures of the Council and highlight any relationships between financial performance and service performance that may indicate any potential or emerging matters of concern in relation to either.

## 2. Recommendations

- 2.1 It is recommended that:

- (i) The contents of this report be noted, in particular the overall forecast overspend of £2,285,200 representing a variance of 1.23% against the City Council Budget (as adjusted) of £186,048,075.
- (ii) Where they have not already been considered by Cabinet, reports are prepared for the Cabinet in November setting out the options for significantly reducing or eliminating the adverse budget position presently being forecast by the Children & Education, Health & Social Care and Traffic & Transportation Portfolios, including the associated impact of doing so.

## 3. Background

- 3.1 A Budget for 2013/14 of £186,054,075 was approved by City Council on the 12<sup>th</sup> February 2013. This level of spending required an overall contribution from General Reserves of £0.313m in order to meet the shortfall between in-year spending and in-year income from all sources.

- 3.2 Since the 12<sup>th</sup> February City Council meeting, and in accordance with the Council approved budget guidelines the following Portfolios have had their 2013/14 cash limits reduced in order to “clawback” overspendings against their previous year’s Cash Limit:

	£
Children & Education	3,000
Leader	3,000
<b>Total Clawback</b>	<b>6,000</b>

- 3.3 In addition the Council has been allocated a one off non ring-fenced Adoption Reform Grant of £373,100 in 2013/14. As there were no specific budget proposals in 2013/14 around the development of the Adoption services and activities and consequently no additional funding pressures were recognised in this area, the grant has been treated as a “windfall” gain and the planned contribution of £313,000 from the General Fund balance to meet the shortfall between in-year spending and in-year income from all sources has been reduced accordingly. However, in order to achieve the government’s priorities in this area and to increase the number of adopters in the Portsmouth area £373,100 has been released from the Central Contingency in 2013/14.

- 3.4 In summary, changes to the budget as approved on 12<sup>th</sup> February 2013 are as follows:

	£
Budget Approved 12 <sup>th</sup> February 2013	186,054,075
Clawback of 2012/13 overspendings	(6,000)
<b>Adjusted 2013/14 Estimate</b>	<b>186,048,075</b>

- 3.5 Once the above budget changes are taken into account, the Estimate (as adjusted) for 2013/14 has reduced to £186,048,075. This, together with the additional grant funding from the non ring-fenced Adoption Reform Grant results in an overall contribution to General Reserves of £0.066m for 2013/14 (i.e. assuming no overall budget variance).
- 3.6 This is the first quarter monitoring report of 2013/14 and reports on the forecast 2013/14 outturn as at the end of June 2013. The forecasts summarised in this report and detailed in the attached papers are made on the basis that management action to address any forecast overspendings are only brought in when that action has been formulated into a plan and there is a high degree of certainty that it will be achieved.
- 3.7 Any variances within Portfolios that relate to windfall costs or windfall savings will be met / taken corporately and not generally considered as part of the overall budget performance of a Portfolio. “Windfall costs” are defined as those costs where the manager has little or no influence or control over such costs and where the size of those costs is high in relation to the overall budget controlled by that manager. “Windfall costs” therefore are ordinarily met corporately from the Council’s central contingency. A manager / Cabinet Member however, does have an obligation to minimise the impact of any “windfall cost” from within their areas of responsibility in order to protect the overall Council financial position. Similarly, “windfall savings” are

those savings that occur fortuitously without any manager action and all such savings accrue to the corporate centre.

- 3.8 The Financial Pack attached at Appendix A has been prepared in Portfolio format and is similar in presentation, but not the same as, the more recognisable "General Fund Summary" presented as part of the Budget report approved by Council on 12<sup>th</sup> February 2013. The format presented at Appendix A has been amended to aid understandability for monitoring purposes by excluding all non cash items which have a neutral effect on the City Council's budget such as Capital Charges. In addition to this, Levies and Insurances are shown in total and have therefore been separated from Portfolios to also provide greater clarity for monitoring purposes.

#### 4 Forecast Outturn 2013/14 – As at end June 2013

- 4.1 At the first quarter stage, the revenue outturn for 2013/14 is forecast to be overspent by £2,285,200 representing an overall budget variance of 1.23%.
- 4.2 The quarter 1 variance consists of a number of forecast under and overspends.

The most significant overspendings at the quarter 1 stage are:

	Quarter 1 (Adjusted Budget)
	£
Children and Education	2,923,600
Health and Social Care	595,700
Traffic and Transportation	925,500

These are offset by the following significant forecast underspends at the quarter 1 stage:

	Quarter 1 (Adjusted Budget)
	£
PRED	176,200
Governance Audit and Standards Committee	118,300
Asset Management Revenue Account	1,890,100

#### 5 Quarter 1 Significant Budget Variations – Forecast Outturn 2013/14

##### 5.1 Children and Education – Overspend £2,923,600 (or 9.1%)

The cost of Children and Education Services is forecast to be £2,923,600 higher than budgeted.

The key variances are:

- As a result of fewer vacancies than assumed when the budget was prepared coupled with delays in achieving planned efficiency savings the Family

Support Service budget heading is currently forecast to overspend by £201,100.

- Fieldwork Services is forecast to overspend by £400,300 as a result of reduced income being earned from adoption placements by Other Bodies, due to a lack of placement availability, coupled with staff vacancy savings not being realised and the requirement to employ agency staff.
- As referred to elsewhere on this agenda the first three months have seen an increase in the number of children requiring placement. The projected spend presumes that these placements will continue for the remainder of the year, although review work will continue. The budget also provides for an increase in the number of Portsmouth Foster Carers as part of the 5 year strategy to reduce the number of looked after children placed with Independent Fostering Agencies. Whilst the number of Portsmouth Foster Carers is growing, it is at a pace slightly below expectations. Taking all of these factors into account the Looked After Children budget is forecast to overspend by £2,184,100.
- Safeguarding Management and Support is forecast to exceed the budget by £138,000 due to savings expected from staff turnover and vacancies not being realised.

Whilst there are individual variances within budget areas covered by the Dedicated Schools Grant, in aggregate these are neutral.

## 5.2 Health and Social Care – Overspend £595,700 (or 1.1%)

The cost of Health & Social Care is forecast to be £595,700 higher than budgeted.

The key variances are:

### Overspendings

- The cost of in-house residential care is forecast to be £160,300 higher than budgeted as a result of an inspection by the Care Quality Commission the outcome of which required additional staff to be employed at Shearwater care home.
- The average contribution to nursing care made by older persons and clients with physical disability has reduced resulting in a fall in income of £169,000. A number of clients are awaiting financial assessment of the contribution towards their care package. The shortfall in income may therefore reduce once these assessments have been completed.
- PCC contribution to Continuing Health Care Pooled Budget – PCC's contribution is forecast to be £1,199,600 higher than budgeted due to:-
  - The residential care budget assumed client numbers of 114 however currently there are 139 being supported by Adult Social Care as at the end of June. It is expected to continue at this level for the remainder of the financial year. Within this 139 clients, there are 6 new clients who were previously self funding who have now become a PCC

responsibility. There are also a number of clients that had previously been receiving high cost Domiciliary Care packages who have now moved into Residential Care. These factors are causing significant pressure within the residential care element of the budget which is projected to overspend by £782,000 as a result.

- The combined effect of Home from Hospital clients that are now included within the Domiciliary Care numbers as well as a general increase in demand for this type of care are the main contributing factors to the projected overspend in this area of £518,000. The cost of packages for the majority of Older Persons Direct Payments clients is also higher than the target. Adult Social Care have implemented measures to control the weekly cost and the effect of this is beginning to materialise as the average weekly cost for new clients has reduced by 17% from £89.55 per week to £74.11 per week.

#### Underspendings

- Income from Older Persons/Physical Disability clients receiving residential care is higher than budgeted due to an increase in the number of clients (£187,700). However there is a corresponding increase in expenditure contained within the Continuing Healthcare Pooled budget (described above).
- Domiciliary care income is forecast to be £610,600 higher than budgeted. This is primarily due to the anticipated contribution from the PCT of £505,000 to meet the additional cost of Domiciliary Care within the Continuing Health Care Pooled budget.
- Forecast underspend of £183,900 within Public Health largely as a result of staff vacancies.

#### 5.3 PRED (excluding Port) – Underspend £176,200 (or 13.6%)

The Portfolio is forecasting an underspend of £176,200 primarily as a result of higher Planning Fee income due to several large planning receipts which are expected to be paid within the next few months.

#### 5.4 Traffic & Transportation – Overspend £925,500 (or 5.9%)

The Portfolio is forecasting an overspend of £925,500

The main causes of the underlying forecast overspend relate to:

- Off Street Parking is forecasting a revenue income shortfall of £656,000.
- Despite budgeting for increases in street lighting energy costs expenditure is forecast to be £156,000 higher than budgeted as a result of a change in the methodology used to measure consumption.

- School Crossing Patrols - A budget saving of £200,000 was approved by the City Council in February 2013 with the intention that the remaining budget would be passed to schools who would then become responsible for providing their own school crossing patrols. However, such an arrangement would require lengthy and complex consultation with each school governing body which has meant that this saving is no longer achievable in the medium term. Once savings arising from holding posts vacant are taken into account the forecast overspend is reduced to £138,000.

#### 5.5 Governance and Audit Committee – Underspend £118,400 (or 45.0%)

The Committee is forecasting an underspend of £118,400.

The principle reason for the forecast underspend is due to higher income than budgeted of £106,600 within the Registrars Service due to increased income generated from new initiatives, higher demand for existing services and the introduction of a competitive pricing structure.

#### 5.6 Asset Management Revenue Account – Underspend £1,890,100 (or 7.6%)

This budget funds all of the costs of servicing the City Council's long term debt portfolio that has been undertaken to fund capital expenditure. It is also the budget that receives all of the income in respect of the investment of the City Council's surplus cash flows. As a consequence, it is potentially a very volatile budget particularly in the current economic climate and is extremely susceptible to both changes in interest rates as well as changes in the Council's total cash inflows and outflows.

The forecast underspend relates to:

- Higher returns on investment balances than anticipated leading to increased interest earned coupled with a forecast lower level of contingency to guard against interest rate fluctuations.
- A lower opening capital financing requirement than anticipated resulting in the statutory sum required to be set aside for the repayment of debt being lower.

### **6 Other Minor Budget Variations – Forecast Outturn 2013/14**

#### 6.1 Culture, Leisure & Sport – Underspend £10,600 (or 0.1%)

There are a number of small variances within the portfolio resulting in a net forecast underspend of £10,600.

#### 6.2 Environment and Community Safety – Minor Overspend £600 (or 0.0%)

#### 6.3 Housing – No Forecast Variance

#### 6.4 Leader – Minor Overspend £1,200 (or 1.5%)

#### 6.5 PRED (Port) – Overspend £14,300 (or 0.3%)



Minor forecast net overspend due to reduced income (£140,500) from lower Operational Dues relating to freight offset by reduced Operational Expenses (£125,800) primarily as a result of vacancies.

6.6 Resources – Overspend £42,500 (or 0.2%)

Minor forecast overspend as a result of staff resources being switched to General Fund activities in order to progress corporate enabling initiatives. This overspend has been offset by the holding of posts vacant in anticipation of savings requirements in future years.

6.7 Licensing Committee – Minor Underspend £500 (or 0.4%)

6.8 Levies – Underspend £22,400 (or 2.9%)

Minor variation due to levies being lower than originally estimated.

6.9 Insurance – No Forecast Variance

6.10 Other Miscellaneous – No Forecast Variance

**7. Relationships between Financial Performance and Service Performance**

7.1 Important performance issues that have emerged from the Quarter 1 reporting are the issues of timeliness of assessments in Children's Social Care and Safeguarding; upcoming challenges relating to SEN support in Education and Strategic Commissioning; and the increase in incidents of offences and reoffending among drug users.

7.2 Positive performance from Quarter 1 is the reduction in key crime categories, and maintaining the positive trend from last year in relation to KS2 results.

7.3 There are plans to further develop the performance framework for Quarter 2, and for taking a systematic approach to the use of cost benchmarking data.

7.4 The full Quarter 1 performance report will be presented to Governance and Audit and Standards Committee on 26th September.

**8. Conclusion - Overall Finance & Performance Summary**

8.1 The overall forecast outturn for the City Council in 2013/14 as at the end of June 2013 is forecast to be £188,333,300. This is an overall overspend of £2,285,200 against the Amended Budget and represents a variance of 1.2%.

8.2 The forecast takes account of all known variations at this stage, but only takes account of any remedial action to the extent that there is reasonable certainty that it will be achieved.

- 8.3 The overall financial position is deemed to be “red” since the forecast outturn is higher than budget. However, finance is not having a negative impact on the overall performance status of the Council’s activities.
- 8.4 In financial terms, the forecast overspend within the Children and Education, Health and Social Care and Traffic and Transportation Portfolios represent the greatest concerns in terms of the impact that they have on the overall City Council budget for 2013/14. Consequently it is recommended that reports in respect of these Portfolios, where they have not already been considered by Cabinet, be prepared for the Cabinet in November setting out the options for significantly reducing or eliminating the adverse budget position presently being forecast by these Portfolios, including the associated impact of doing so.
- 8.5 Where a Portfolio is presently forecasting a net overspend in accordance with current Council policy, any overspending in 2013/14 will be deducted from cash limits in 2014/15 and therefore the appropriate Heads of Service in consultation with Portfolio Holders should prepare an action plan outlining how their 2013/14 forecast outturn or 2014/15 budget might be reduced to alleviate the adverse variances currently being forecast.
- 8.6 Based on the Budget (as adjusted) of £186,048,075 the Council will remain within its minimum level of General Reserves for 2013/14 of £6.0m as illustrated below:

	<u>£m</u>
General Reserves brought forward @ 1/4/2013	23.623
<u>Less:</u>	
Forecast Overspend 2013/14	(2.285)
Proposals for use of 2012/13 underspend (contained within the Revenue Outturn 2012/13 - Final Accounts report, elsewhere on this agenda)	(5.439)
<u>Add:</u>	
Planned Contribution to General Reserves 2013/14	0.066
<b>Forecast General Reserves carried forward into 2014/15</b>	<b>15.965</b>

Levels of General Reserves over the medium term are assumed to remain within the Council approved minimum sum of £6.0m in 2013/14 and future years since any ongoing budget pressures / savings will be reflected in future years' savings targets.

- 8.7 Financial resources are not seen as a primary barrier during the current year to either performance achievement or performance improvement. Although there are currently no specific requests for additional resourcing within this report to ensure that targets are achieved or objectives met, in the future, resources are more likely to pose a risk to future delivery and this ought to be considered in the context of all other current and emerging budget pressures and evaluated in context with each other.



**9. City Solicitor's Comments**

9.1 The City Solicitor is satisfied that it is within the Council's powers to approve the recommendations as set out.

**10. Equalities Impact Assessment**

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

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**Chris Ward**

**Head of Finance & S151 Officer**

**Background List of Documents –**

Section 100D of the Local Government Act 1972

The following documents disclose facts or matters which have been relied upon to a material extent by the author in preparing this report –

Title of Document	Location
Portsmouth City Council Budget 2012/13 to 2016/17	Office of Deputy Head of Finance & Section 151 Officer
Electronic Budget Monitoring Files	Financial Services Local Area Network

The recommendations set out above were:

Approved / Approved as amended / Deferred / Rejected by the Cabinet on 7<sup>th</sup> October, 2013

Signed: .....

Approved / Approved as amended / Deferred / Rejected by the City Council on 15<sup>th</sup> October, 2013

Signed: .....

**FINANCIAL & SERVICE  
PERFORMANCE**

**QUARTER 1  
2013/14**

**INFORMATION PACK**

# FINANCIAL AND SERVICE PERFORMANCE MONTH ENDING JUNE 2013

<b>MONTHLY BUDGET MONITORING STATEMENT - CASH LIMIT 2013/14</b>	
<b>PORTFOLIO</b>	City Council General Fund
<b>BUDGET</b>	Total General Fund Expenditure
<b>TOTAL CASH LIMIT</b>	<b>186,048,075</b>
<b>CHIEF OFFICER</b>	All Budget Holders
<b>MONTH ENDED</b>	June 2013

ITEM No.	BUDGET HEADING	BUDGET PROFILE 2013/14				BUDGET FORECAST 2013/14			
		Budget Profile To End June 2013	Actual To End June 2013	Variance vs. Profile To June 2013		Total Budget	Forecast Year End Outturn	Variance vs. Total Budget	
		£	£	£	%	£	£	£	%
1	Children & Education	86,416,261	76,927,088	(9,489,173)	(11.0%)	32,221,493	35,145,135	2,923,642	9.1%
2	Culture, Leisure & Sport	2,317,489	2,063,238	(254,251)	(11.0%)	8,646,083	8,635,483	(10,600)	(0.1%)
3	Environment & Community Safety	3,118,939	2,984,235	(134,704)	(4.3%)	16,688,367	16,708,943	20,576	0.1%
4	Health & Social Care	13,016,180	9,208,107	(3,808,073)	(29.3%)	52,064,743	52,660,431	595,688	1.1%
5	Housing	609,681	588,349	(21,332)	(3.5%)	2,289,100	2,289,100	0	0.0%
6	Leader	102,663	53,958	(48,705)	(47.4%)	229,500	230,656	1,156	0.5%
7	PRED	65,635	(382,804)	(448,439)	(683.2%)	(1,294,473)	(1,470,678)	(176,205)	(13.6%)
8	Port	1,194,676	(723,787)	(1,918,463)	(160.6%)	(5,433,695)	(5,419,385)	14,310	0.3%
9	Resources	6,552,859	6,424,092	(128,767)	(2.0%)	23,915,023	23,957,558	42,535	0.2%
10	Traffic & Transportation	2,410,199	2,337,659	(72,540)	(3.0%)	15,764,092	16,689,593	925,501	5.9%
11	Licensing Committee	(22,932)	(115,140)	(92,208)	(402.1%)	(116,700)	(117,172)	(472)	(0.4%)
12	Governance, Audit & Standards Com	7,063	(89,082)	(96,145)	(1361.2%)	263,300	144,930	(118,370)	(45.0%)
13	Levies	266,350	302,308	35,958	13.5%	781,000	758,580	(22,420)	(2.9%)
14	Insurance	137,581	137,581	0	0.0%	1,141,500	1,141,500	0	0.0%
15	Asset Management Revenue Account	1,626,279	1,142,475	(483,804)	(29.7%)	24,997,797	23,107,672	(1,890,125)	(7.6%)
16	Other Miscellaneous	508,000	776,451	268,451	52.8%	13,890,945	13,890,945	0	0.0%
<b>TOTAL</b>		<b>118,326,923</b>	<b>101,634,728</b>	<b>(16,692,195)</b>	<b>(14.1%)</b>	<b>186,048,075</b>	<b>188,353,291</b>	<b>2,305,216</b>	<b>1.2%</b>
		<b>Total Value of Remedial Action (from Analysis Below)</b>				<b>(20,000)</b>			
		<b>Total Net Forecast Outturn (after remedial action)</b>				<b>186,048,075</b>	<b>188,333,291</b>	<b>2,285,216</b>	<b>1.23%</b>

Note All figures included above exclude Capital Charges

Income/underspends should be recorded in brackets and expenditure/overspends without

## VALUE OF REMEDIAL ACTIONS

Item No.	Reason for Variation	Remedial Action	Value of Remedial Action
1	Children & Education		0
2	Culture, Leisure & Sport		0
3	Environment & Community Safety		(20,000)
4	Health & Social Care		0
5	Housing		0
6	Leader		0
7	PRED		0
8	Port		0
9	Resources		0
10	Traffic & Transportation		0
11	Licensing Committee		0
12	Governance, Audit & Standards Com		0
13	Levies		0
14	Insurance		0
15	Asset Management Revenue Account		0
16	Other Miscellaneous		0
<b>Total Value of Remedial Action</b>			<b>(20,000)</b>

Note Remedial Action resulting in savings should be shown in brackets

## FINANCIAL AND SERVICE PERFORMANCE MONTH ENDING JUNE 2013

MONTHLY BUDGET MONITORING STATEMENT - CASH LIMIT 2013/14			
<b>PORTFOLIO</b>	Children and Education		
<b>BUDGET</b>	7,213,693	Education	
	25,007,800	Children's Social Care & Safeguarding	
<b>TOTAL CASH LIMIT</b>	<b>32,221,493</b>		
<b>CHIEF OFFICER</b>	Julian Wooster		
<b>MONTH ENDED</b>	June 2013		

Risk indicator	
Low	L
Medium	M
High	H

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ITEM No.	BUDGET HEADING
1	ISB Nursery
2	ISB Primary
3	ISB Secondary
4	ISB Special
5	DSG
6	Strategic Commissioning
7	Early Support
8	Education Improvement
9	Child Support Services
10	Joint Priorities
11	Family Support Service
12	Fieldwork Services
13	Looked After Children
14	Services Commissioned And Provided
15	Safeguarding Management And Support
16	Youth Support (YSS)
<b>TOTAL</b>	

BUDGET PROFILE 2013/14				
	Budget Profile To End June 2013	Actual To End June 2013	Variance vs. Profile To June 2013	
	£	£	£	%
	2,152,100	4,091,228	1,939,128	90.1%
	56,097,400	54,449,969	(1,647,431)	(2.9%)
	41,191,300	41,191,366	66	0.0%
	5,720,000	6,744,000	1,024,000	17.9%
	(26,800,652)	(34,542,138)	(7,741,486)	(28.9%)
	277,623	131,403	(146,220)	(52.7%)
	792,342	196,884	(595,458)	(75.2%)
	147,201	(385,062)	(532,263)	(361.6%)
	864,276	417,845	(446,431)	(51.7%)
	180,747	(652,560)	(833,307)	(461.0%)
	344,175	377,729	33,554	9.7%
	1,478,226	1,115,894	(362,332)	(24.5%)
	2,783,547	3,208,248	424,701	15.3%
	242,448	(116,217)	(358,665)	(147.9%)
	390,951	257,158	(133,793)	(34.2%)
	554,577	441,341	(113,236)	(20.4%)
<b>TOTAL</b>	<b>86,416,261</b>	<b>76,927,088</b>	<b>(9,489,173)</b>	<b>(11.0%)</b>

<b>Total Value of Remedial Action (from Analysis Below)</b>	0
<b>Total Net Forecast Outturn (after remedial action)</b>	0

BUDGET FORECAST 2013/14					
	Total Budget	Forecast Year End Outturn	Variance vs. Total Budget		RISK INDICATOR
	£	£	£	%	
	7,445,900	7,445,900	0	0.0%	L
	56,097,400	56,097,400	0	0.0%	L
	41,191,300	41,191,300	0	0.0%	L
	5,720,000	5,720,000	0	0.0%	L
	(110,454,600)	(110,454,600)	0	0.0%	L
	1,110,500	1,110,500	0	0.0%	L
	3,169,400	3,169,400	0	0.0%	M
	588,800	588,800	0	0.0%	H
	3,457,100	3,457,100	0	0.0%	M
	722,993	722,993	0	0.0%	M
	1,376,700	1,577,833	201,133	14.6%	M
	5,912,900	6,313,272	400,372	6.8%	M
	11,131,200	13,315,322	2,184,122	19.6%	H
	969,800	969,800	0	0.0%	M
	1,563,800	1,701,815	138,015	8.8%	M
	2,218,300	2,218,300	0	0.0%	M
<b>TOTAL</b>	<b>32,221,493</b>	<b>35,145,135</b>	<b>2,923,642</b>	<b>9.1%</b>	

<b>Total Net Forecast Outturn (after remedial action)</b>	0
<b>Total Net Forecast Outturn (after remedial action)</b>	0

**Note** All figures included above exclude Capital Charges, Levies and Insurances  
Income/underspends is shown in brackets and expenditure/overspends without brackets

**REASONS FOR VARIATIONS AGAINST TOTAL BUDGET 2013/14**

Item No.	Reason for Variation	Variance £
5	Whilst there is an increase in the numbers of pupils being placed out side of the city and a reduction in income from schools converting to academies which together are estimated to amount to additional central spending of £110,000, this will be offset against the grant brought forward from 2012/13.	0
11	Staffing levels in this area of the service are such that the expected savings from staff turnover and vacancies are not being achieved.	201,133
12	Budgeted income, particularly for Adoption activities, is proving difficult to achieve and is currently projected to be £218,000 below expectations. The remaining £182,000 is related to additional staff cover for maternity absence and staffing levels resulting in reduced savings from staff turnover and vacancies.	400,372
13	The projected overspend in the looked after children service reflects the need to place a greater number of children with Independent Foster Agencies (IFA) and Residential providers than originally anticipated.	2,184,122
15	Staffing levels in this area of the service are such that the expected savings from turnover and vacancies are not being achieved.	138,015
<b>TOTAL PROJECTED VARIANCE</b>		<b>2,923,642</b>

Remedial Action	Value of Remedial Action
<b>TOTAL VALUE OF REMEDIAL ACTION</b>	<b>0</b>

Note Remedial Action resulting in savings is shown in brackets

## FINANCIAL AND SERVICE PERFORMANCE MONTH ENDING JUNE 2013

MONTHLY BUDGET MONITORING STATEMENT - CASH LIMIT 2013/14			
PORTFOLIO	Culture, Leisure & Sport		
BUDGET	4,921,983	City Development & Cultural Services	
	3,724,100	Transport & Street Management	
<b>TOTAL CASH LIMIT</b>	<b>8,646,083</b>		
CHIEF OFFICER	Kathy Wadsworth		
MONTH ENDED	June 2013		

Risk indicator	
Low	L
Medium	M
High	H

ITEM No.	BUDGET HEADING
1	Parks, Gardens & Open Spaces
2	Seafront Management
3	Golf Courses
4	Pyramids
5	Mountbatten & Gymnastic Centres
6	Other Sports & Leisure Facilities
7	Sports Development
8	Departmental Establishment (Leisure)
9	Libraries
10	Museum Services
11	Arts Service
12	Community Centres
13	Events
<b>TOTAL</b>	

BUDGET PROFILE 2013/14			
Budget Profile To End June 2013	Actual To End June 2013	Variance vs. Profile To June 2013	
£	£	£	%
668,084	566,032	(102,052)	(15.3%)
37,468	(11,060)	(48,528)	(129.5%)
(171,029)	(142,360)	28,669	16.8%
175,179	205,902	30,723	17.5%
67,599	43,728	(23,871)	(35.3%)
40,615	40,781	166	0.4%
100,658	104,587	3,929	3.9%
25,960	113,695	87,735	338.0%
745,718	713,263	(32,455)	(4.4%)
366,330	277,575	(88,755)	(24.2%)
106,760	2,269	(104,491)	(97.9%)
118,636	65,829	(52,807)	(44.5%)
35,511	82,997	47,486	133.7%
<b>2,317,489</b>	<b>2,063,238</b>	<b>(254,251)</b>	<b>(11.0%)</b>

BUDGET FORECAST 2013/14				RISK INDICATOR
Total Budget	Forecast Year End Outturn	Variance vs. Total Budget		
£	£	£	%	
2,518,945	2,463,645	(55,300)	(2.2%)	L
124,308	91,308	(33,000)	(26.5%)	L
(255,269)	(221,369)	33,900	13.3%	H
701,000	701,000	0	0.0%	L
270,508	270,508	0	0.0%	L
330,817	330,817	0	0.0%	H
326,067	331,867	5,800	1.8%	M
347,313	387,313	40,000	11.5%	L
2,177,891	2,211,891	34,000	1.6%	M
1,018,189	950,189	(68,000)	(6.7%)	M
424,375	424,375	0	0.0%	L
451,071	445,071	(6,000)	(1.3%)	L
210,868	248,868	38,000	18.0%	L
<b>8,646,083</b>	<b>8,635,483</b>	<b>(10,600)</b>	<b>(0.1%)</b>	

Total Value of Remedial Action (from Analysis Below)	0
<b>Total Net Forecast Outturn (after remedial action)</b>	<b>8,646,083</b>

<b>8,646,083</b>	<b>8,635,483</b>	<b>(10,600)</b>	<b>(0.1%)</b>

Note All figures included above exclude Capital Charges, Levies and Insurances  
Income/underspends is shown in brackets and expenditure/overspends without brackets

**REASONS FOR VARIATIONS AGAINST TOTAL BUDGET 2013/14**

Item No.	Reason for Variation	Variance £
1	The service has been able to charge external businesses for contributions for bedding plants. In addition a small amount of funding has been received from the Football foundation towards park equipment, and selling equipment surplus to requirements have resulted in an additional £8,000 in income. A repayment totalling £18,300 is also expected from English Landscapes following a previous over payment. £29,000 in expenditure is will also be held back this year towards offsetting the anticipated reduction in golf income.	(55,300)
2	Expenditure on seafront maintenance is being proactively held back in order to fund the culture events scheduled for later in the year.	(33,000)
3	Poor weather conditions experienced in the first three months of the year and a general downturn in the number of people playing golf has had an adverse impact on the number of customers visiting the golf course over this period. Season ticket sales remain consistent with expectations but income that has been received from green fees is lower than anticipated.	33,900
7	Savings approved in City Council Budget Meeting February 2012 included a 2 year incremental saving that was to reduce the number of posts within Sports Development by one further post with effect from April 2013. This reduction was delayed whilst awaiting the outcome of a subsequent staffing restructure taking place as a result of Head of Service responsibility changes.	10,800
7	Expenditure on leisure card supplies and services will be less than originally anticipated.	(5,000)
8	The Windows 7 Upgrade costs of £50,000 are still to be allocated across Cultural Services. These have been partly offset by a reduction in administration and supplies and services costs of £10,000.	40,000
9	Increased employee costs are being incurred as a result of more casual staff being required to operate the service than originally anticipated. This, along with a failure to achieve the full February 2013 savings target, increased cleaning costs for Central and Southsea Libraries as well as a reduction in the amount of income being received has created considerable budget pressure for the service. Expenditure is being held back on the book fund to mitigate the overspending.	34,000
10	There are staff vacancies in the service which are contributing towards the underspend. This will be used to offset the variances above.	(68,000)
12	The full budget for Portsdown Hill Community Centre will not be required this year as the centre will not open until September 2013.	(6,000)
13	It was agreed at the beginning of the year that the existing programme of events would continue into 2013/14. In order to achieve this, budget provision has been made by reducing expenditure in other areas of Cultural Services.	38,000
<b>TOTAL PROJECTED VARIANCE</b>		<b>(10,600)</b>

Remedial Action	Value of Remedial Action
<b>TOTAL VALUE OF REMEDIAL ACTION</b>	<b>0</b>

Note Remedial Action resulting in savings is shown in brackets

## FINANCIAL AND SERVICE PERFORMANCE MONTH ENDING JUNE 2013

MONTHLY BUDGET MONITORING STATEMENT - CASH LIMIT 2013/14			
<b>PORTFOLIO</b>	Environment & Community Safety		
<b>BUDGET</b>	1,069,851	Corporate Assets, Business & Standards	
	116,900	City Development & Cultural Services	
	13,043,585	Transport and Street Management	
	2,458,031	Community Safety	
<b>TOTAL CASH LIMIT</b>	<b>16,688,367</b>		
<b>CHIEF OFFICER</b>	Kathy Wadsworth		
<b>MONTH ENDED</b>	June 2013		

Risk indicator	
Low	L
Medium	M
High	H

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ITEM No.	BUDGET HEADING	BUDGET PROFILE 2013/14				BUDGET FORECAST 2013/14				RISK INDICATOR
		Budget Profile To End June 2013	Actual To End June 2013	Variance vs. Profile To June 2013		Total Budget	Forecast Year End Outturn	Variance vs. Total Budget		
		£	£	£	%	£	£	£	%	
1	Environmental Protection	118,232	114,769	(3,463)	(2.9%)	411,602	411,602	0	0.0%	L
2	Environment Admin & Management	2,690	5,367	2,677	99.5%	33,105	33,105	0	0.0%	L
3	Community Safety Administration & Management	3,492	3,491	(1)	(0.0%)	13,973	13,973	0	0.0%	L
4	Environmental Health - Commercial Services	54,144	55,014	870	1.6%	268,652	268,652	0	0.0%	M
5	Port Health	3,269	458	(2,811)	(86.0%)	10,183	10,183	0	0.0%	M
6	Trading Standards	90,827	95,407	4,580	5.0%	315,414	315,414	0	0.0%	M
7	Welfare Burials	2,978	3,456	478	16.1%	16,922	16,922	0	0.0%	L
8	Refuse Collection	393,403	323,049	(70,354)	(17.9%)	2,660,977	2,680,978	20,001	0.8%	H
9	Waste Disposal	610,027	424,781	(185,246)	(30.4%)	4,542,736	4,557,636	14,900	0.3%	H
10	Waste Recycling	175,605	166,010	(9,595)	(5.5%)	1,101,778	1,091,478	(10,300)	(0.9%)	L
11	Street Enforcement	53,604	55,298	1,694	3.2%	229,672	235,072	5,400	2.4%	M
12	Public Conveniences	114,782	112,402	(2,380)	(2.1%)	563,318	563,318	0	0.0%	M
13	Street Cleansing	723,384	723,675	291	0.0%	2,894,694	2,894,694	0	0.0%	L
14	Clean City	999	57	(942)	(94.3%)	4,000	4,000	0	0.0%	L
15	Built Environment	22,182	15,340	(6,842)	(30.8%)	93,828	93,828	0	0.0%	L
16	Control Of Dogs	24,727	15,570	(9,157)	(37.0%)	91,107	95,907	4,800	5.3%	H
17	Projects & Procurement Management	28,515	9,952	(18,563)	(65.1%)	131,799	55,399	(76,400)	(58.0%)	M
18	Sea Defences And Drainage	42,225	(13,824)	(56,049)	(132.7%)	330,679	330,679	0	0.0%	L
19	Coastal Partnership	9,906	10,134	228	2.3%	158,785	158,785	0	0.0%	M
20	LATS	0	0	0	-	0	0	0	-	H
21	Cemeteries	10,670	(18,535)	(29,205)	(273.7%)	40,212	29,212	(11,000)	(27.4%)	L
22	Contaminated Land	29,220	22,714	(6,506)	(22.3%)	116,900	90,900	(26,000)	(22.2%)	L
23	Carbon Allowances	10,000	9,623	(377)	(3.8%)	200,000	200,000	0	0.0%	L
24	Motiv8	0	20	20	-	81,800	81,820	0	0.0%	L
25	Hidden Violence And Abuse	94,793	174,570	79,778	84.2%	344,170	400,230	56,100	16.3%	L
26	Community Safety Strategy And Partnership	141,734	44,770	(96,964)	(68.4%)	601,935	528,728	(73,200)	(12.2%)	L
27	CCTV	95,865	210,778	114,913	119.9%	383,460	375,020	(8,400)	(2.2%)	L
28	PYOP	0	244	244	-	0	407	400	-	L
29	Community Wardens	171,240	207,385	36,145	21.1%	684,960	813,869	128,900	18.8%	L
30	Anti Social Behaviour Unit	39,221	46,640	7,419	18.9%	156,884	156,950	100	0.1%	L
31	Substance Misuse (including Alcohol)	2,541	110,905	108,364	4265.0%	10,163	12,399	2,200	21.6%	L
32	Civil Contingencies (Emergency Planning)	48,665	54,715	6,050	12.4%	194,659	187,783	(6,900)	(3.5%)	L
<b>TOTAL</b>		<b>3,118,939</b>	<b>2,984,235</b>	<b>(134,704)</b>	<b>(4.3%)</b>	<b>16,688,367</b>	<b>16,708,943</b>	<b>20,601</b>	<b>0.1%</b>	
		<b>Total Value of Remedial Action (from Analysis Below)</b>				(20,000)				
		<b>Total Net Forecast Outturn (after remedial action)</b>				<b>16,688,367</b>	<b>16,688,943</b>	<b>576</b>	<b>0.0%</b>	

Note All figures included above exclude Capital Charges, Levies and Insurances  
Income/underspends is shown in brackets and expenditure/overspends without brackets



**REASONS FOR VARIATIONS AGAINST TOTAL BUDGET 2013/14**

Item No.	Reason for Variation	Variance £
8	A savings target of £20,000 to be achieved from charging for replacement bins is not likely to materialise this financial year. Alternative income sources are currently being investigated.	20,000
9	It is anticipated that there will be an under recovery in income, as a result of a reduction in commodity prices that are achieved on the sale of dry mixed recyclable material. The price obtained is a combination of numerous different commodities that are each affected differently by economic and/or market conditions.	14,900
10	Following an end of year reconciliation by the 3rd party contractor responsible for the sale of collected glass, an additional £6,900 has been received. An underspend on employees of £3,400 is also anticipated as a result of a vacant post that has now been recruited to.	(10,300)
11	During the period a staff member returned from maternity leave before the secondment to cover their role ended.	5,400
17	Within the Projects & Procurement team, more staff time is being undertaken working on major schemes such as Tipner, Northern Quarter and Northern Road Bridge. As a result a higher fee income has been achieved than originally anticipated.	(76,400)
21	The cemeteries have received an unexpected £11,000 as a result of an insurance claim. The expenditure was incurred in the previous financial year.	(11,000)
22	The projected underspend is as a result staff vacancies in the service.	(26,000)
25	The total variance includes elements made up of; (1) £21,000 budgeted staff savings (vacancy provision and absence management) unlikely to be met due to recruitment retention and lack of staff turnover (2) Police & Crime Commissioner grant allocations less than budgeted (£41,000 now £30,000) due to Safer Portsmouth Partnership strategy decisions	56,100
26	The total variance includes elements made up of; (1) Under spend in employees as staff member within the establishment working on Public Health funded projects in 2013/14 - £10,000 (2) Additional income received for Head of Service charge to Public Health as per revised structure £35,000	(43,000)
29	A savings target of £120k in 2013/14 planned to be made by the merger of Community Wardens and Environmental Enforcement, will not now go ahead based on decisions made by members. The overspend attributable to this has been identified as in need of remedy and decisions on cash limit adjustments to take account of the budget changes are still to be considered.	128,900
	Other variances	4,800
	<b>TOTAL PROJECTED VARIANCE</b>	<b>63,400</b>

Remedial Action	Value of Remedial Action
The service is currently investigating alternative sources of income.	(20,000)
<b>TOTAL VALUE OF REMEDIAL ACTION</b>	<b>(20,000)</b>

Note Remedial Action resulting in savings is shown in brackets



**REASONS FOR VARIATIONS AGAINST TOTAL BUDGET 2013/14**

Item No.	Reason for Variation	Variance £
2	In House Residential care Overspend projected as a result of an inspection by the Care Quality Commission requiring additional staff to be employed at Shearwater.	160,300
7	Older Persons/Physical Disability Commissioned Residential Care Income The additional income has risen from an increase in older persons client numbers. There is a corresponding increase in expenditure which is shown in the Continuing Health Care Pooled budget	(187,700)
8	Older Persons/Physical Disability Commissioned Nursing Care Income There has been a decrease in the average weekly contributions from clients. There is a possibility that this position could improve as there are a number of clients awaiting financial assessment.	169,000
9	Older Persons/Physical Disability Domiciliary Care/Direct Payment Income The current projection includes £505,000 of PCT funding which was carried forward from FY12/13. This funding is anticipated to be used to fund the overspend projected against Domiciliary care in the S75 CHC pooled fund as soon as approval is given by the Partnership Management Group for the Continuing Health Care S75. The remaining over-recovery is from Older Persons Domiciliary Care. Clients have increased and some Direct Payment clients have been repaying surpluses from unused Direct Payments.	(610,600)
12	Mental Health/Substance Misuse Commissioned Services We are projecting an overspend of £146,000 which is due to the current number of clients being higher than budget, currently 87 compared to the target of 82 due to current demands on the service. This does include an out of area placement which was being reviewed by Legal Services. The case has now been resolved and found against PCC resulting in Adult Social Care picking up the care costs for this client. In order to negate this overspend we are anticipating using £145,000 of the PCT funding which was carried forward from FY12/13.	1,100
17	Continuing Health Care Pooled Budget - S75 Arrangement Residential Care The residential care budget assumed client numbers of 114 and there are now 139 being supported by Adult Social Care at the end of quarter 1. It is expected to remain at this level for the remainder of the financial year. Within the 139 clients there are 6 new clients who were previously self funding and have become ASC responsibility. There are also a number of clients that have previously been having high cost Domiciliary Care packages and have now gone into Residential Care. This is causing significant pressure on the budget which is projected to overspend by £782,000. Domiciliary Care The combined affect of Home from Hospital clients that are now included in the Domiciliary Care numbers as well as a general increase in demand for this type of care are the main contributing factors for the projected overspend. The cost of packages for the majority of Older Persons Direct Payments clients is higher than the target. Adult Social Care have implemented measures to control the weekly cost and the effect of this is beginning to materialise as the average weekly cost for new clients is now down to £74.11 per week. If this continues it is possible there could be a reduction in the current projected overspend of £518,000. We are currently awaiting approval from the Partnership Management Group to allocate £505,000 of PCT funding carried forward from 12/13 to reduce the overall overspend in this area of the budget - see explanation 9 above.	1,199,600
26	Public Health Underspend largely due to vacancies in staff budgets	(183,900)
	Other Miscellaneous Comprises a number of minor under and overspends on a range of services.	47,888
	<b>TOTAL PROJECTED VARIANCE</b>	<b>595,688</b>

Remedial Action	Value of Remedial Action
None	
None - this additional income will offset some of the overspend within item 17 - the Continuing Healthcare Pooled budget via additional contribution to the pool.	
Review of income at a client level to ensure that all clients are contributing to their care where applicable.	
None - this income will offset some of the overspend within item 17 - the Continuing Healthcare Pooled budget via additional contribution to the pool.	
None	
The service are continuing to look at reducing the cost of domiciliary and direct payment care packages in line with the savings targets by managing the review process for clients needs. Work is currently ongoing trying to understand at a client by client level why the demand is continuing to increase for Residential Care. ie . how many clients were previously self funders, how many were previously known to the service and simply have an increased need etc.	
None	
<b>TOTAL VALUE OF REMEDIAL ACTION</b>	<b>0</b>

Note Remedial Action resulting in savings is shown in brackets

## FINANCIAL AND SERVICE PERFORMANCE MONTH ENDING JUNE 2013

MONTHLY BUDGET MONITORING STATEMENT - CASH LIMIT 2013/14			
PORTFOLIO	Housing		
BUDGET	849,800	Corporate Assets, Business & Standards	
	1,439,300	Housing Management	
<b>TOTAL CASH LIMIT</b>	<b>2,289,100</b>		
CHIEF OFFICERS	Kathy Wadsworth & Margaret Geary		
MONTH ENDED	June 2013		

Risk indicator	
Low	L
Medium	M
High	H

ITEM No.	BUDGET HEADING	BUDGET PROFILE 2013/14				BUDGET PROFILE 2013/14				RISK INDICATOR
		Budget Profile To End June 2013	Actual To End June 2013	Variance vs. Profile To June 2013		Total Budget	Forecast Year End Outturn	Variance vs. Total Budget To June 2013		
		£	£	£	%	£	£	£	%	
1	Housing Strategy - General	48,802	33,700	(15,102)	(30.9%)	183,254	183,254	0	0.0%	L
2	Registered Social Landlords	15,792	15,134	(658)	(4.2%)	63,190	63,190	0	0.0%	L
3	Housing Advisory Service	64,833	55,622	(9,211)	(14.2%)	259,040	259,040	0	0.0%	L
5	Housing Enabling	22,983	21,202	(1,781)	(7.7%)	91,970	91,970	0	0.0%	L
7	Private Leased Properties	(25,818)	10,145	35,963	139.3%	(103,424)	(103,424)	0	0.0%	L
8	Homeless Prevention	221,565	205,728	(15,837)	(7.1%)	771,084	771,084	0	0.0%	L
9	Community Alarms / Rent Insurance	(22,488)	(41,333)	(18,845)	(83.8%)	(89,970)	(89,970)	0	0.0%	L
10	Wardens Welfare ( Sheltered Housing)	18,492	18,492	0	0.0%	74,000	74,000	0	0.0%	L
11	Youth & Play Shared Services with the HRA	112,750	112,750	0	0.0%	438,600	438,600	0	0.0%	M
12	De Minimis Capital Receipts	(31,962)	(15,257)	16,705	52.3%	(127,900)	(127,900)	0	0.0%	M
13	Other Council Property	(3,924)	(5,138)	(1,214)	(30.9%)	(15,700)	(15,700)	0	0.0%	L
14	Works in Default / Properties in Default	(1,962)	23,130	25,092	1278.9%	(7,844)	(7,844)	0	0.0%	L
15	Housing Standards	173,542	157,893	(15,649)	(9.0%)	691,390	691,390	0	0.0%	L
16	Houses in Multiple Occupation	(6,597)	(23,312)	(16,715)	(253.4%)	(26,400)	(26,400)	0	0.0%	L
17	Houses in Single Occupation	(234)	159	393	167.8%	(940)	(940)	0	0.0%	L
18	Home Check scheme	22,908	19,396	(3,512)	(15.3%)	84,750	84,750	0	0.0%	L
19	Controlling Orders	999	0	(999)	(100.0%)	4,000	4,000	0	0.0%	L
20	Mortgages	0	38	38	-	0	0	0	0.0%	L
<b>TOTAL</b>		<b>609,681</b>	<b>588,349</b>	<b>(21,332)</b>	<b>(3.5%)</b>	<b>2,289,100</b>	<b>2,289,100</b>	<b>0</b>	<b>0.0%</b>	
		<b>Total Value of Remedial Action (from Analysis Below)</b>				<b>0</b>				
		<b>Total Net Forecast Outturn (after remedial action)</b>				<b>2,289,100</b>	<b>2,289,100</b>	<b>0</b>	<b>0.0%</b>	

Note All figures included above exclude Capital Charges, Levies and Insurances  
Income/underspends is shown in brackets and expenditure/overspends without brackets

### REASONS FOR VARIATIONS AGAINST TOTAL BUDGET 2013/14

Item No.	Reason for Variation	Variance £
<b>TOTAL PROJECTED VARIANCE</b>		<b>0</b>

Remedial Action	Value of Remedial Action
<b>TOTAL VALUE OF REMEDIAL ACTION</b>	<b>0</b>

Note Remedial Action resulting in savings is shown in brackets

## FINANCIAL AND SERVICE PERFORMANCE MONTH ENDING JUNE 2013

<b>MONTHLY BUDGET MONITORING STATEMENT - CASH LIMIT 2013/14</b>	
<b>PORTFOLIO</b>	Leader
<b>BUDGET</b>	229,500
<b>TOTAL CASH LIMIT</b>	<b>229,500</b>
<b>CHIEF OFFICER</b>	
<b>MONTH ENDED</b>	June 2013

Risk indicator	
Low	L
Medium	M
High	H

ITEM No.	BUDGET HEADING
1	Portsmouth Civic Award
2	Civic Pride
3	Lord Mayor
4	Lord Mayor's Events
5	Civic Events
<b>TOTAL</b>	

BUDGET PROFILE 2013/14				
Budget Profile To End June 2013	Actual To End June 2013	Variance vs. Profile To June 2013		
£	£	£	%	
249	959	710	285.1%	
		0	-	
69,294	28,018	(41,276)	-59.6%	
3,500	1,535	(1,965)	-56.1%	
29,620	23,446	(6,174)	-20.8%	
<b>102,663</b>	<b>53,958</b>	<b>(48,705)</b>	<b>(47.4%)</b>	

BUDGET FORECAST 2013/14					
Total Budget	Forecast Year End Outturn	Variance vs. Total Budget			RISK INDICATOR
£	£	£	%		
1,000	1,859	859	85.9%		L
		0	-		L
105,800	105,568	(232)	(0.2%)		L
3,700	4,229	529	14.3%		L
119,000	119,000	0	0.0%		L
<b>229,500</b>	<b>230,656</b>	<b>1,156</b>	<b>0.5%</b>		

Total Value of Remedial Action (from Analysis Below)	0
Total Net Forecast Outturn (after remedial action)	<b>229,500</b>

		<b>1,156</b>	<b>0.5%</b>

Note All figures included above exclude Capital Charges, Levies and Insurances  
Income/underspends is shown in brackets and expenditure/overspends without brackets

### REASONS FOR VARIATIONS AGAINST TOTAL BUDGET 2013/14

Item No.	Reason for Variation	Variance £
	<b>TOTAL PROJECTED VARIANCE</b>	<b>0</b>

Remedial Action	Value of Remedial Action
<b>TOTAL VALUE OF REMEDIAL ACTION</b>	<b>0</b>

Note Remedial Action resulting in savings is shown in brackets

## FINANCIAL AND SERVICE PERFORMANCE MONTH ENDING JUNE 2013

MONTHLY BUDGET MONITORING STATEMENT - CASH LIMIT 2013/14			
<b>PORTFOLIO</b>	Planning Regeneration & Economic Development (Excluding Commercial Ferry Port)		
<b>BUDGET</b>	1,189,900	City Development & Cultural Services	
	110,323	Corporate Assets, Business & Standards	
	(2,594,696)	Housing Management	
<b>TOTAL CASH LIMIT</b>	<b>(1,294,473)</b>		
<b>CHIEF OFFICER</b>	Kathy Wadsworth Michael Lawther		
<b>MONTH ENDED</b>	June 2013		

Risk indicator	
Low	L
Medium	M
High	H

ITEM No.	BUDGET HEADING	BUDGET PROFILE 2013/14				BUDGET FORECAST 2013/14				RISK INDICATOR
		Budget Profile To End June 2013	Actual To End June 2013	Variance vs. Profile To June 2013		Total Budget	Forecast Year End Outturn	Variance vs. Total Budget		
		£	£	£	%	£	£	£	%	
1	Planning Management & Administration	37,380	37,643	263	0.7%	243,577	243,577	0	0.0%	M
2	Planning Development Control	3,540	(140,041)	(143,581)	(4056.0%)	18,771	(140,229)	(159,000)	(847.1%)	H
3	Planning Policy	84,060	102,889	18,829	22.4%	332,319	332,319	0	0.0%	M
4	Building Regulations & Control	5,990	(1,813)	(7,803)	(130.3%)	23,833	4,833	(19,000)	(79.7%)	H
5	Economic Regeneration and Service Plan	54,300	774	(53,526)	(98.6%)	218,134	180,134	(38,000)	(17.4%)	L
6	Tourism	85,240	58,054	(27,186)	(31.9%)	353,266	353,266	0	0.0%	L
7	Economic Development, Business and Standards	54,321	47,537	(6,784)	(12.5%)	322,301	322,301	0	0.0%	L
8	Enterprise Centres	(64,585)	(86,551)	(21,966)	(34.0%)	(284,198)	(284,198)	0	0.0%	L
9	PCMI	(7,221)	99,514	106,735	1478.1%	58,720	58,720	0	0.0%	L
10	Community Learning	(40,230)	(21,213)	19,017	47.3%	13,500	13,500	0	0.0%	M
11	Administrative Buildings	829,149	580,015	(249,134)	(30.0%)	1,556,997	1,556,997	0	0.0%	M
12	Guildhall	144,547	161,328	16,781	11.6%	578,184	578,184	0	0.0%	L
13	Property Portfolio	(1,120,856)	(1,220,940)	(100,084)	(8.9%)	(4,729,877)	(4,690,082)	39,795	0.8%	H
14	City Centre North Development			0	-			0	-	
<b>TOTAL</b>		<b>65,635</b>	<b>(382,804)</b>	<b>(448,439)</b>	<b>(683.2%)</b>	<b>(1,294,473)</b>	<b>(1,470,678)</b>	<b>(176,205)</b>	<b>(13.6%)</b>	
						0				
<b>Total Net Forecast Outturn (after remedial action)</b>						<b>(1,294,473)</b>	<b>(1,470,678)</b>	<b>(176,205)</b>	<b>(13.6%)</b>	

Note All figures included above exclude Capital Charges, Levies and Insurances  
Income/underspends is shown in brackets and expenditure/overspends without brackets

### REASONS FOR VARIATIONS AGAINST TOTAL BUDGET 2013/14

Item No.	Reason for Variation	Variance £
2	Planning fee income has been much higher than anticipated in the first quarter. There are several large receipts expected in the next few months.	(159,000)
4	There are various staff vacancies in the service and as a result of this, income is reduced. Some work is being contracted out to the Fareham based Building Control Partnership, the costs of this are being offset by the staff savings being realised.	(19,000)
5	Following the Planning and Regeneration Service review, the re-organisation of the staff is not yet complete. There are various vacancies that are yet to be appointed and other positions that have not yet been vacated. The forecast includes the cost of vacancies being filled in year.	(38,000)
13	As City Council assets become surplus to requirements they become the responsibility of the Property Portfolio and are disposed of. Holding and disposal costs associated with these surplus assets are forecast to be £39,795. Further costs may be incurred during the year as and when further assets are identified for disposal.	39,795
<b>TOTAL PROJECTED VARIANCE</b>		<b>(176,205)</b>

Remedial Action	Value of Remedial Action
<b>TOTAL VALUE OF REMEDIAL ACTION</b>	<b>0</b>

Note Remedial Action resulting in savings is shown in brackets

# FINANCIAL AND SERVICE PERFORMANCE MONTH ENDING JUNE 2013

## MONTHLY BUDGET MONITORING STATEMENT - CASH LIMIT 2013/14

**PORTFOLIO** Planning Regeneration & Economic Development (Commercial Ferry Port)

**BUDGET** (5,433,695)

**TOTAL CASH LIMIT** (5,433,695)

**CHIEF OFFICER** Martin Putman

**MONTH ENDED** June 2013

Risk indicator	
Low	L
Medium	M
High	H

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ITEM No.	
	<b>Income</b>
1	Wharfage & Harbour Dues - Private Wharves
2	Tonnage Dues
3	Boat Dues
4	Cruise Operational Dues
5	Rents & Concessions
6	C.F.P. - Operational Dues
7	- Ships Services
8	- Parking & Demurrage
9	Pilotage
10	Miscellaneous
11	Charges to Recoverable Schemes
	<b>Total Income</b>
	<b>Operational Expenses</b>
12	Direct Employee Expenses
13	Repairs & Maintenance
14	Fuel, Light, Cleaning & Water
15	Rent & Rates
16	Equipment, Furniture & Fittings
17	Uniforms
18	Other Hired & Contracted Services
19	Operating Leases
20	Use of Transport
21	Hire of Pilot Vessels
22	Recharged Works to Capital
23	Licences
	<b>Total Operational Expenses</b>
	<b>Management and General Expenses</b>
24	Direct Employee Expenses
25	Car Allowances
26	Printing, Stationery & General Office Expenses
27	Fixtures & Fittings
28	Travel, Subsistence & Conferences
29	Debt Management Expenses
30	Provision for Bad Debt
31	Subscriptions
32	Officer Recharges to Capital
33	<b>Total Management and General Expenses</b>
34	<b>Total Working Expenses</b>
	<b>TOTAL CASH LIMIT</b>

BUDGET PROFILE 2013/14				
Budget Profile To End June 2013	Actual To End June 2013	Variance vs. Profile To June 2013		
£	£	£	%	
(319)	(265)	54	16.9%	
(179,227)	(166,764)	12,463	7.0%	
(16,786)	(16,610)	176	1.0%	
(148,766)	(138,766)	10,000	6.7%	
(149,001)	(178,955)	(29,954)	(20.1%)	
(3,368,337)	(2,989,892)	378,445	11.2%	
(124,495)	(132,223)	(7,728)	(6.2%)	
(10,555)	(23,905)	(13,350)	(126.5%)	
(142,312)	(208,346)	(66,034)	(46.4%)	
(68,205)	(97,944)	(29,739)	(43.6%)	
(1,827)	(8,734)	(6,907)	(378.0%)	
<b>(4,209,830)</b>	<b>(3,962,403)</b>	<b>247,427</b>	<b>5.9%</b>	
2,917,958	1,833,286	(1,084,672)	(37.2%)	
137,213	1,257	(135,956)	(99.1%)	
91,210	24,183	(67,027)	(73.5%)	
1,593,012	80,223	(1,512,789)	(95.0%)	
10,678	4,460	(6,218)	(58.2%)	
3,470	718	(2,752)	(79.3%)	
247,202	125,707	(121,495)	(49.1%)	
0	768,740	768,740	-	
23,084	20,776	(2,308)	(10.0%)	
21,278	13,407	(7,871)	(37.0%)	
(5,896)	(8,905)	(3,009)	(51.0%)	
0	75	75	-	
<b>5,039,209</b>	<b>2,863,927</b>	<b>(2,175,282)</b>	<b>(43.2%)</b>	
298,773	285,750	(13,023)	(4.4%)	
1,035	739	(296)	(28.6%)	
35,192	50,262	15,070	42.8%	
29,121	31,811	2,690	9.2%	
4,258	1,789	(2,469)	(58.0%)	
0	0	0	-	
0	0	0	-	
8,849	4,338	(4,511)	(51.0%)	
(11,931)	0	11,931	100.0%	
<b>365,297</b>	<b>374,689</b>	<b>9,392</b>	<b>2.6%</b>	
<b>5,404,506</b>	<b>3,238,617</b>	<b>(2,165,889)</b>	<b>(40.1%)</b>	
<b>1,194,676</b>	<b>(723,787)</b>	<b>(1,918,463)</b>	<b>(160.6%)</b>	

BUDGET PROFILE 2013/14				
Total Budget	Forecast Year End Outturn	Variance vs. Total Budget		RISK INDICATOR
£	£	£	%	
(1,800)	(1,800)	0	0.0%	L
(717,200)	(717,200)	0	0.0%	M
(80,600)	(80,600)	0	0.0%	L
(239,600)	(219,600)	20,000	8.3%	L
(488,200)	(507,700)	(19,500)	(4.0%)	M
(13,076,200)	(12,873,200)	203,000	1.6%	L
(698,900)	(698,900)	0	0.0%	H
(83,700)	(83,700)	0	0.0%	L
(564,300)	(614,300)	(50,000)	(8.9%)	M
(215,400)	(220,400)	(5,000)	(2.3%)	L
(11,000)	(19,000)	(8,000)	(72.7%)	L
<b>(16,176,900)</b>	<b>(16,036,400)</b>	<b>140,500</b>	<b>0.9%</b>	
4,209,005	4,088,690	(120,315)	(2.9%)	M
823,700	823,700	0	0.0%	H
549,600	549,600	0	0.0%	H
1,843,900	1,829,400	(14,500)	(0.8%)	M
193,300	193,300	0	0.0%	L
20,800	20,800	0	0.0%	L
1,281,800	1,281,800	0	0.0%	H
8,600	8,600	0	0.0%	L
138,600	138,600	0	0.0%	L
127,700	136,700	9,000	7.0%	M
(35,400)	(35,400)	0	0.0%	M
2,200	2,200	0	0.0%	L
<b>9,163,805</b>	<b>9,037,990</b>	<b>(125,815)</b>	<b>(1.4%)</b>	
1,202,700	1,192,325	(10,375)	(0.9%)	M
4,500	4,500	0	0.0%	L
214,100	214,100	0	0.0%	M
174,800	174,800	0	0.0%	M
17,000	17,000	0	0.0%	L
0	0	0	-	L
5,000	5,000	0	0.0%	L
35,800	35,800	0	0.0%	M
(74,500)	(64,500)	10,000	13.4%	M
<b>1,579,400</b>	<b>1,579,025</b>	<b>(375)</b>	<b>(0.0%)</b>	
<b>10,743,205</b>	<b>10,617,015</b>	<b>(126,190)</b>	<b>(1.2%)</b>	
<b>(5,433,695)</b>	<b>(5,419,385)</b>	<b>14,310</b>	<b>0.3%</b>	

Note All figures included above exclude Capital Charges, Levies and Insurances

Total Value of Remedial Action (from Analysis Below)	0
Total Net Forecast Outturn (after remedial action)	(5,433,695) (5,419,385) 14,310 0.3%

	0
	(5,433,695) (5,419,385) 14,310 0.3%

**ANALYSIS OF NET PROFIT**

35	Insurance
36	Support Service Charges
37	Impairment
38	Depreciation
39	IAS 19 Superannuation
40	Employee Benefit Accrual
41	Purchased Leave
42	<b>Net (Profit) / Loss</b>

0	500	500	-
0	0	0	-
0	0	0	-
0	0	0	-
0	0	0	-
0	(46,088)	(46,088)	-
0	(1,940)	0	-
<b>1,194,676</b>	<b>(771,315)</b>	<b>(1,965,991)</b>	<b>(164.6%)</b>

400,000	280,000	(120,000)	(30.0%)
450,000	400,000	(50,000)	(11.1%)
750,000	750,000	0	0.0%
3,000,000	3,000,000	0	0.0%
75,000	75,000	0	0.0%
0	0	0	-
0	(7,764)	(7,764)	-
<b>(758,695)</b>	<b>(922,149)</b>	<b>(163,454)</b>	<b>21.5%</b>

Income/underspends is shown in brackets and expenditure/overspends without brackets

**REASONS FOR VARIATIONS AGAINST TOTAL BUDGET 2012/13**

Item No.	Reason for Variation	Variance £
Income	Cruise operational Dues is expected to be below estimate by £20,000 due to the cancellation of a number of cruise calls. Rents & Concessions is expected to be above estimate by £19,500 due to advertising hoardings being let to Brittany Ferries and DFDS. Operational Dues are forecast to be below budget by £203,000 due to lower than forecast freight figures for Brittany and Condor and lower than forecast passenger activity carried by Brittany and DFDS. Pilotage is expected to be above estimate by £50,000 due to additional pilotage acts taking place on behalf of Portsmouth Naval Base for dredging and other works in the Dockyard. Miscellaneous income is expected to be above estimate by £5,000 due to income generated from the new signage screen at the port. Charges to Recoverable Schemes is forecast to be above estimate by £8,000 due to unanticipated recoverable works carried out for Condor Ferries.	140,500
Operational Expenses	Direct Employee Expenses is forecast to be below estimate by £120,315 due to a number of vacant posts and the part secondment of a port engineer for 6 months. This is offset in part by an increase in pilotage acts fees due to pilotage undertaken on behalf of Portsmouth Naval Base and the unlikely achievement of a reduction in a sickness saving target. Rent & Rates are expected to be below estimate by £14,500 due to an expected increase for the Gas Works Land not being requested. Hire of Pilot Vessels is forecast to be above estimate by £9,000 due to the additional pilotage acts taking place.	(125,815)
Management and General Expenses	Direct Employee Expenses are expected to be below estimate by £10,375 largely due to long term sickness leading to half pay, partly offset by annual leave payable to an employee who has recently retired, acting up allowance and additional training requirements. Officer Recharges to Capital £10,000 adverse variance resulting from forecast officer time spent on capital being lower than budgeted and slippage.	(375)
<b>TOTAL PROJECTED VARIANCE</b>		<b>14,310</b>

Remedial Action	Value of Remedial Action
<b>TOTAL VALUE OF REMEDIAL ACTION</b>	<b>0</b>

Note Remedial Action resulting in savings is shown in brackets



## FINANCIAL AND SERVICE PERFORMANCE MONTH ENDING JUNE 2013

MONTHLY BUDGET MONITORING STATEMENT - CASH LIMIT 2013/14	
PORTFOLIO	Resources
BUDGET	23,915,023
<b>TOTAL CASH LIMIT</b>	<b>23,915,023</b>
CHIEF OFFICER	Various
MONTH ENDED	June 2013

Risk indicator	
Low	L
Medium	M
High	H

ITEM No.	BUDGET HEADING
1	Miscellaneous Expenses
2	HR, Legal and Performance
3	Transformation Workstream Investment
4	Customer & Community Services
5	Grants & Support to the Voluntary Sector
6	Financial Services
7	IT Services Unit
8	AMS Design & Maintenance
9	Property Services
10	Landlords Repairs & Maintenance
11	Spinnaker Tower
12	MMD Crane Rental
13	Administration Expenses
14	Council Tax Benefits
15	Housing Benefit - Rent Allowances
16	Housing Benefit - Rent Rebates
17	Local Taxation
18	Local Welfare Assistance Scheme
19	Benefits Administration
20	Discretionary Non-Domestic Rate Relief
21	Land Charges
22	Democratic Representation & Management
23	Corporate Management

BUDGET PROFILE 2013/14				
Budget Profile To End June 2013	Actual To End June 2013	Variance vs. Profile To June 2013		
		£	%	
24,092	239,357	215,265	893.5%	
743,401	882,560	139,159	18.7%	
0	76,801	76,801	-	
911,264	502,014	(235,853)	(25.9%)	
517,425	512,966	(4,459)	(0.9%)	
1,192,476	1,403,645	211,169	17.7%	
1,158,122	1,269,250	111,128	9.6%	
232,638	232,297	(341)	(0.1%)	
78,881	50,135	(28,746)	(36.4%)	
337,125	(383,728)	(720,853)	(213.8%)	
(350,000)	194,969	544,969	155.7%	
(385,400)	(96,371)	289,029	75.0%	
5,000	0	(5,000)	(100.0%)	
0	0	0	-	
(168,132)	(217,099)	(48,967)	(29.1%)	
(28,405)	(47,682)	(19,277)	(67.9%)	
532,912	473,455	(59,457)	(11.2%)	
276,575	379,664	103,089	37.3%	
629,871	300,418	(329,453)	(52.3%)	
0	0	0	-	
3,965	(27,329)	(31,294)	(789.3%)	
394,902	357,594	(37,308)	(9.4%)	
446,147	321,177	(124,970)	(28.0%)	

BUDGET PROFILE 2013/14				
Total Budget	Forecast Year End Outturn	Variance vs. Total Budget		RISK INDICATOR
		£	%	
89,923	85,645	(4,278)	(4.8%)	M
3,151,000	3,261,152	110,152	3.5%	M
0	0	0	-	L
1,882,200	1,876,791	(5,209)	(0.3%)	L
719,200	719,200	0	0.0%	L
5,087,000	5,087,000	0	0.0%	M
4,865,700	4,865,666	(34)	(0.0%)	M
962,600	962,600	0	0.0%	M
323,500	323,500	0	0.0%	H
1,348,600	1,348,600	0	0.0%	H
(350,000)	(350,000)	0	0.0%	H
(385,400)	(385,400)	0	0.0%	L
5,000	5,000	0	0.0%	M
0	123	123	-	M
(679,200)	(679,200)	0	0.0%	H
(148,600)	(148,600)	0	0.0%	H
1,329,000	1,292,693	(36,307)	(2.7%)	L
726,200	726,200	0	0.0%	
2,443,600	2,366,759	(76,841)	(3.1%)	M
179,500	179,500	0	0.0%	L
(82,400)	(61,347)	21,053	25.5%	M
1,197,000	1,221,506	24,506	2.0%	M
1,250,800	1,260,170	9,370	0.7%	M

<b>TOTAL</b>	<b>6,552,859</b>	<b>6,424,092</b>	<b>(221,442)</b>	<b>(3.4%)</b>
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Total Value of Remedial Action (from Analysis Below)	0
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Total Net Forecast Outturn (after remedial action)	0
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<b>23,915,023</b>	<b>23,957,558</b>	<b>42,535</b>	<b>0.2%</b>
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Total Value of Remedial Action (from Analysis Below)	0
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<b>23,915,023</b>	<b>23,957,558</b>	<b>42,535</b>	<b>0.2%</b>
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Note All figures included above exclude Capital Charges, Levies and Insurances

Income/underspends is shown in brackets and expenditure/overspends without brackets

**REASONS FOR VARIATIONS AGAINST TOTAL BUDGET 2013/14**

Item No.	Reason for Variation	Variance £
2	The HR, Legal and Performance Management budget is forecast to be overspent attributable to a shortfall in predicted income within Legal services. This has arisen because of a shift to corporately based enabling initiatives as opposed to work related to non General Fund activities.	110,152
17	Underspend due to holding of vacancies where possible in order to prepare for savings requirements in future years.	(36,307)
19	Underspend due to holding of vacancies where possible in order to prepare for savings requirements in future years.	(76,841)
	Other variations	45,531
<b>TOTAL PROJECTED VARIANCE</b>		<b>42,535</b>

Note Remedial Action resulting in savings is shown in brackets

Remedial Action	Value of Remedial Action
The Head of Service is conducting a service review which will generate savings to mitigate the budget shortfall.	
<b>TOTAL VALUE OF REMEDIAL ACTION</b>	<b>0</b>

## FINANCIAL AND SERVICE PERFORMANCE MONTH ENDING JUNE 2013

MONTHLY BUDGET MONITORING STATEMENT - CASH LIMIT 2013/14	
PORTFOLIO	Traffic & Transportation
BUDGET	15,764,092
<b>TOTAL CASH LIMIT</b>	<b>15,764,092</b>
CHIEF OFFICER	Kathy Wadsworth
MONTH ENDED	June 2013

Risk indicator	
Low	L
Medium	M
High	H

ITEM No.	BUDGET HEADING
1	Off-Street Parking
2	Road Safety & Sustainable Transport
3	Network Management
4	Highways Infrastructure
5	Highways Routine
6	Highways Street Lighting (Electricity)
7	Highways Design
8	Travel Concessions
9	Passenger Transport
10	Integrated Transport Unit
11	School Crossing Patrol
12	Transport Policy
13	Feasibility Studies
14	Tri-Sail Maintenance
15	Dunsbury Hill Farm
<b>TOTAL</b>	

BUDGET PROFILE 2013/14			
Budget Profile To End June 2013	Actual To End June 2013	Variance vs. Profile To June 2013	
		£	%
(473,414)	(348,135)	125,279	26.5%
42,573	38,755	(3,818)	(9.0%)
160,492	153,292	(7,200)	(4.5%)
851,376	851,718	342	0.0%
730,184	608,617	(121,567)	(16.6%)
239,358	207,049	(32,309)	(13.5%)
(15,267)	(38,861)	(23,594)	(154.5%)
1,040,787	1,012,803	(27,984)	(2.7%)
(384,237)	(419,991)	(35,754)	(9.3%)
30,071	30,091	20	0.1%
40,983	75,874	34,891	85.1%
23,852	26,898	3,046	12.8%
106,224	122,170	15,946	15.0%
17,217	928	(16,289)	(94.6%)
-	16,451	16,451	-
		0	-
<b>TOTAL</b>	<b>2,410,199</b>	<b>2,337,659</b>	<b>(72,540) (3.0%)</b>

BUDGET FORECAST 2013/14				
Total Budget	Forecast Year End Outturn	Variance vs. Total Budget		RISK INDICATOR
		£	%	
(2,216,887)	(1,561,223)	655,664	29.6%	H
183,124	177,118	(6,006)	(3.3%)	M
615,476	619,364	3,888	0.6%	H
8,203,537	8,203,537	0	0.0%	L
3,078,114	3,070,982	(7,132)	(0.2%)	L
1,304,810	1,461,053	156,243	12.0%	H
(47,733)	(94,146)	(46,413)	(97.2%)	M
4,164,810	4,161,810	(3,000)	(0.1%)	M
(62,147)	(56,747)	5,400	8.7%	H
118,001	121,021	3,020	2.6%	L
164,000	302,014	138,014	84.2%	L
149,425	154,348	4,923	3.3%	L
40,662	61,562	20,900	51.4%	L
68,900	68,900	0	0.0%	M
0	-	0	-	-
<b>15,764,092</b>	<b>16,689,593</b>	<b>925,501</b>	<b>5.9%</b>	

Total Value of Remedial Action (from Analysis Below) 0

Total Net Forecast Outturn (after remedial action) 15,764,092    16,689,593    925,501    5.9%

Note All figures included above exclude Capital Charges, Levies and Insurances

Income/underspends is shown in brackets and expenditure/overspends without brackets

**REASONS FOR VARIATIONS AGAINST TOTAL BUDGET 2013/14**

Item No.	Reason for Variation	Variance £
1	Off Street Parking - The Off Street Parking budget continues to be under pressure as a result of reduced income levels.	656,000
6	An increase in the usage of electricity following a change in the measurement of the amount of electricity consumed means that the service has an overspend that it is unable to fund from elsewhere within the service.	156,000
11	School Crossing Patrols - A saving of £200,000 was approved by the City Council in February 2013. It was the service's intention that the remaining funding would be passed out to schools who would then be responsible for providing their own school crossing patrols. However, the service has since been advised that this would require lengthy and complex consultation with each governing body at each school which in effect has meant that this saving cannot be achieved.	138,000
<b>TOTAL PROJECTED VARIANCE</b>		<b>950,000</b>

Note Remedial Action resulting in savings is shown in brackets

Remedial Action	Value of Remedial Action
The service continues to look for ways that the deficit can be reduced through a number of different work streams. Fortnightly workshops are taking place with the Cabinet to progress ideas to reduce the deficit. It is hoped that by Quarter 2 the forecast deficit will be much reduced.	
The service are working on a business case to replace the traditional discharge lighting with LED. This business case will be incorporated within a capital bid to be submitted as part of the annual budget process.	
<b>TOTAL VALUE OF REMEDIAL ACTION</b>	<b>0</b>

## FINANCIAL AND SERVICE PERFORMANCE MONTH ENDING JUNE 2013

MONTHLY BUDGET MONITORING STATEMENT - CASH LIMIT 2013/14	
COMMITTEE	Licensing
BUDGET	(116,700)
<b>TOTAL CASH LIMIT</b>	<b>(116,700)</b>
CHIEF OFFICER	Michael Lawther
MONTH ENDED	June 2013

Risk indicator	
Low	L
Medium	M
High	H

ITEM No.	BUDGET HEADING
1	Licensing Committee
<b>TOTAL</b>	

BUDGET PROFILE 2013/14			
Budget To End June 2013	Actual To End June 2013	Variance vs. Profile To June 2013	
£	£	£	%
(22,932)	(115,140)	(92,208)	(402.1%)
<b>TOTAL</b>			
<b>(22,932)</b>	<b>(115,140)</b>	<b>(92,208)</b>	<b>(402.1%)</b>
<b>Total Value of Remedial Action (from Analysis Below)</b>			
0			
<b>Total Net Forecast Outturn (after remedial action)</b>			

BUDGET FORECAST 2013/14				
Total Budget	Forecast Year End Outturn	Variance vs. Total Budget		RISK INDICATOR
£	£	£	%	
(116,700)	(117,172)	(472)	(0.4%)	L
<b>TOTAL</b>				
<b>(116,700)</b>	<b>(117,172)</b>	<b>(472)</b>	<b>(0.4%)</b>	
<b>Total Value of Remedial Action</b>				
0				
<b>Total Net Forecast Outturn (after remedial action)</b>				
<b>(116,700)</b>	<b>(117,172)</b>	<b>(472)</b>	<b>(0.4%)</b>	

Note All figures included above exclude Capital Charges, Levies and Insurances  
Income/underspends is shown in brackets and expenditure/overspends without brackets

### REASONS FOR VARIATIONS AGAINST TOTAL BUDGET 2013/14

Item No.	Reason for Variation	Variance £
<b>TOTAL PROJECTED VARIANCE</b>		<b>0</b>

Remedial Action	Value of Remedial Action
<b>Total Value of Remedial Action</b>	<b>0</b>

Note Remedial Action resulting in savings is shown in brackets

## FINANCIAL AND SERVICE PERFORMANCE MONTH ENDING JUNE 2013

### MONTHLY BUDGET MONITORING STATEMENT - CASH LIMIT 2013/14

COMMITTEE Governance, Audit and Standards Committee

BUDGET 263,300

**TOTAL CASH LIMIT 263,300**

CHIEF OFFICER Michael Lawther

MONTH ENDED June 2013

Risk indicator	
Low	L
Medium	M
High	H

ITEM No.	BUDGET HEADING
1	Municipal Elections
2	Registration Of Electors
3	Registrar of Births, Deaths & Marriages

BUDGET PROFILE 2013/14				
Budget To End June 2013	Actual To End June 2013	Variance vs. Profile To June 2013		
£	£	£	%	
12,054	8,044	(4,010)	(33.3%)	
45,051	26,576	(18,475)	(41.0%)	
(50,042)	(123,702)	(73,660)	(147.2%)	

BUDGET FORECAST 2013/14					
Total Budget	Forecast Year End Outturn	Variance vs. Total Budget			RISK INDICATOR
£	£	£	%		
83,390	77,346	(6,044)	(7.2%)		
138,310	132,631	(5,679)	(4.1%)		L
41,600	(65,047)	(106,647)	(256.4%)		L

**TOTAL**

**7,063 (89,082) (96,145) (1361.2%)**

**263,300 144,930 (118,370) (45.0%)**

**Total Value of Remedial Action (from Analysis Below)**

**0**

**Total Net Forecast Outturn (after remedial action)**

**263,300 144,930 (118,370) (45.0%)**

Note All figures included above exclude Capital Charges, Levies and Insurances

Income/underspends is shown in brackets and expenditure/overspends without brackets

### REASONS FOR VARIATIONS AGAINST TOTAL BUDGET 2013/14

Item No.	Reason for Variation	Variance £
3	The registrar's service is currently forecasting higher income than budgeted of £106,600. Attributable to an increase in the income generated from new initiatives, higher demand for existing services and a competitive pricing structure. This additional income will help the service achieve future additional income targets as a contribution to the City Council's budget savings strategy.	(106,647)
<b>TOTAL PROJECTED VARIANCE</b>		<b>(106,647)</b>

Remedial Action	Value of Remedial Action
<b>TOTAL VALUE OF REMEDIAL ACTION</b>	<b>0</b>

Note Remedial Action resulting in savings is shown in brackets

## FINANCIAL AND SERVICE PERFORMANCE MONTH ENDING JUNE 2013

### MONTHLY BUDGET MONITORING STATEMENT - CASH LIMIT 2013/14

PORTFOLIO Other Expenditure

BUDGET 781,000 Levies

**TOTAL CASH LIMIT 781,000**

CHIEF OFFICER Michael Lawther

MONTH ENDED June 2013

Risk indicator	
Low	L
Medium	M
High	H

ITEM No.	BUDGET HEADING
1	Environment & Flood Defence Agency
2	Coroners
3	Southern Sea Fisheries
<b>TOTAL</b>	

BUDGET PROFILE 2013/14			
Budget To End June 2013	Actual To End June 2013	Variance vs. Profile To June 2013	
£	£	£	%
48,400	35,770	(12,630)	(26.1%)
171,550	229,928	58,378	34.0%
46,400	36,610	(9,790)	(21.1%)
<b>266,350</b>	<b>302,308</b>	<b>35,958</b>	<b>13.5%</b>

BUDGET FORECAST 2013/14				RISK INDICATOR
Total Budget	Forecast Year End Outturn	Variance vs. Total Budget		
£	£	£	%	
48,400	35,770	(12,630)	(26.1%)	M
686,200	686,200	0	0.0%	M
46,400	36,610	(9,790)	(21.1%)	L
<b>781,000</b>	<b>758,580</b>	<b>(22,420)</b>	<b>(2.9%)</b>	

Total Value of Remedial Action (from Analysis Below)

0

Total Net Forecast Outturn (after remedial action)

<b>781,000</b>	<b>758,580</b>	<b>(22,420)</b>	<b>(2.9%)</b>
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Note All figures included above exclude Capital Charges and Insurances

Income/underspends is shown in brackets and expenditure/overspends without brackets

### REASONS FOR VARIATIONS AGAINST TOTAL BUDGET 2013/14

Item No.	Reason for Variation	Variance £
1	2013/14 levy paid. No further charges are expected.	(12,630)
3	2013/14 levy paid. No further charges are expected.	(9,790)
<b>TOTAL PROJECTED VARIANCE</b>		<b>(12,630)</b>

Remedial Action	Value of Remedial Action
<b>TOTAL VALUE OF REMEDIAL ACTION</b>	<b>0</b>

Note Remedial Action resulting in savings is shown in brackets

# FINANCIAL AND SERVICE PERFORMANCE MONTH ENDING JUNE 2013

<b>MONTHLY BUDGET MONITORING STATEMENT - CASH LIMIT 2013/14</b>			
PORTFOLIO	Other Expenditure		
BUDGET	1,141,500	Insurance	
<b>TOTAL CASH LIMIT</b>	<b>1,141,500</b>		
CHIEF OFFICER	Michael Lawther		
MONTH ENDED	June 2013		

Risk indicator	
Low	L
Medium	M
High	H

ITEM No.	BUDGET HEADING
1	Insurance Revenue Account
<b>TOTAL</b>	

BUDGET PROFILE 2013/14					
Budget Profile To End June 2013	Actual To End June 2013	Variance vs. Profile To June 2013			
		£	£	%	
137,581	137,581	0		0.0%	
<b>TOTAL</b>		<b>137,581</b>	<b>137,581</b>	<b>0</b>	<b>0.0%</b>

BUDGET FORECAST 2013/14					
Total Budget	Forecast Year End Outturn	Variance vs. Total Budget			RISK INDICATOR
		£	£	%	
1,141,500	1,141,500	0		0.0%	M
<b>TOTAL</b>		<b>1,141,500</b>	<b>1,141,500</b>	<b>0</b>	<b>0.0%</b>

<b>Total Value of Remedial Action (from Analysis Below)</b>	0
<b>Total Net Forecast Outturn (after remedial action)</b>	1,141,500

Note All figures included above exclude Capital Charges and Levies  
Income/underspends is shown in brackets and expenditure/overspends without brackets

### REASONS FOR VARIATIONS AGAINST TOTAL BUDGET 2013/14

Item No.	Reason for Variation	Variance £
<b>TOTAL PROJECTED VARIANCE</b>		<b>0</b>

Remedial Action	Value of Remedial Action
<b>TOTAL VALUE OF REMEDIAL ACTION</b>	<b>0</b>

Note Remedial Action resulting in savings is shown in brackets



## FINANCIAL AND SERVICE PERFORMANCE MONTH ENDING JUNE 2013

MONTHLY BUDGET MONITORING STATEMENT - CASH LIMIT 2013/14			
PORTFOLIO	Other Expenditure		
BUDGET	24,997,797	Asset Management Revenue Account	
<b>TOTAL CASH LIMIT</b>	<b>24,997,797</b>		
CHIEF OFFICER	Michael Lawther		
MONTH ENDED	June 2013		

Risk indicator	
Low	L
Medium	M
High	H

ITEM No.	BUDGET HEADING	BUDGET PROFILE 2013/14				BUDGET FORECAST 2013/14				RISK INDICATOR
		Budget To End June 2013	Actual To End June 2013	Variance vs. Profile To June 2013		Total Budget	Forecast Year End Outturn	Variance vs. Total Budget		
		£	£	£	%	£	£	£	%	
1	External Interest Paid	1,840,500	1,845,228	4,728	0.3%	18,448,993	18,448,993	0	0.0%	H
2	External Interest Earned	(214,221)	(702,753)	(488,532)	(228.1%)	(856,882)	(2,641,450)	(1,784,568)	(208.3%)	H
3	Net Minimum Revenue Provision	0		0	-	7,405,686	7,300,129	(105,557)	(1.4%)	M
<b>TOTAL</b>		<b>1,626,279</b>	<b>1,142,475</b>	<b>(483,804)</b>	<b>(29.7%)</b>	<b>24,997,797</b>	<b>23,107,672</b>	<b>(1,890,125)</b>	<b>(7.6%)</b>	
<b>Total Value of Remedial Action (from Analysis Below)</b>						<b>0</b>				
<b>Total Net Forecast Outturn (after remedial action)</b>						<b>24,997,797</b>	<b>23,107,672</b>	<b>(1,890,125)</b>	<b>(7.6%)</b>	

Note All figures included above exclude Capital Charges, Levies and Insurances

Income/underspends is shown in brackets and expenditure/overspends without brackets

### REASONS FOR VARIATIONS AGAINST TOTAL BUDGET 2013/14

Item No.	Reason for Variation	Variance £
2	Return on investments higher than anticipated	(1,784,568)
3	Capital financing requirement lower than anticipated due to capital under spends in 2012/13	(105,557)
<b>TOTAL PROJECTED VARIANCE</b>		<b>(1,890,125)</b>

Remedial Action	Value of Remedial Action
<b>TOTAL VALUE OF REMEDIAL ACTION</b>	<b>0</b>

Note Remedial Action resulting in savings is shown in brackets

## FINANCIAL AND SERVICE PERFORMANCE MONTH ENDING JUNE 2013

### MONTHLY BUDGET MONITORING STATEMENT - CASH LIMIT 2013/14

PORTFOLIO	Other Expenditure	
BUDGET	13,890,945	Miscellaneous
<b>TOTAL CASH LIMIT</b>	<b>13,890,945</b>	

CHIEF OFFICER Michael Lawther

MONTH ENDED June 2013

Risk indicator	
Low	L
Medium	M
High	H

ITEM No.	BUDGET HEADING
1	Precepts
2	Portchester Crematorium
3	Compensatory Added Years & Contribution to Prior Years Pension Deficit
4	Contingency
5	Revenue Contributions to Capital
6	MMD Losses
7	Off Street Parking Reserve
8	Transfer to / (From) MTRS Reserve
9	Other Miscellaneous
10	Other Transfers to / (from) Reserves
<b>TOTAL</b>	

BUDGET PROFILE 2013/14				
Budget Profile To End June 2013	Actual To End June 2013	Variance vs. Profile To June 2013		
		£	%	
37,000	36,451	(549)		(1.5%)
0	0	0		-
0	0	0		-
0	0	0		-
0	0	0		-
471,000	740,000	269,000		57.1%
0	0	0		-
0	0	0		-
0	0	0		-
0	0	0		-
<b>TOTAL</b>	<b>508,000</b>	<b>776,451</b>	<b>268,451</b>	<b>52.8%</b>

BUDGET FORECAST 2013/14					
Total Budget	Forecast Year End Outturn	Variance vs. Total Budget			RISK INDICATOR
		£	%		
90,300	90,300	0	0.0%	L	
(150,000)	(150,000)	0	0.0%	L	
5,336,000	5,336,000	0	0.0%	L	
6,351,650	6,351,650	0	0.0%	H	
1,020,200	1,020,200	0	0.0%	L	
1,885,000	1,885,000	0	0.0%	L	
(548,200)	(548,200)	0	0.0%	L	
(780,000)	(780,000)	0	0.0%	L	
792,500	792,500	0	0.0%	L	
(106,505)	(106,505)	0	0.0%	L	
<b>TOTAL</b>	<b>13,890,945</b>	<b>13,890,945</b>	<b>0</b>	<b>0.0%</b>	

Total Value of Remedial Action (from Analysis Below)	0
<b>Total Net Forecast Outturn (after remedial action)</b>	<b>13,890,945</b>

<b>TOTAL</b>	<b>13,890,945</b>	<b>13,890,945</b>	<b>0</b>

Note All figures included above exclude Capital Charges, Levies and Insurances  
Income/underspends is shown in brackets and expenditure/overspends without brackets

### REASONS FOR VARIATIONS AGAINST TOTAL BUDGET 2013/14

Item No.	Reason for Variation	Variance £
<b>TOTAL PROJECTED VARIANCE</b>		<b>0</b>

Remedial Action	Value of Remedial Action
<b>TOTAL VALUE OF REMEDIAL ACTION</b>	<b>0</b>

Note Remedial Action resulting in savings is shown in brackets

**Decision maker:** Cabinet 7<sup>th</sup> October 2013  
City Council 15<sup>th</sup> October 2013

**Subject:** Revenue Outturn 2012/13 (Final Accounts)

**Report by:** Head of Finance and Section 151 Officer

**Wards affected:** All

**Key decision (over £250k):** Yes

**Forward Plan:** Yes

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## 1. Purpose

The purpose of this report is to:

- Inform Members of the overall Revenue Outturn for 2012/13 (subject to the completion of the audit) compared with the Revised Budget 2012/13
- Briefly describe the main variances against the Revised Budget for 2012/13
- Set out the cash limit reductions to Portfolios in the current year arising from the claw back of overspendings against 2012/13 cash limits
- Inform Members of the final outturn position of both the Housing Revenue Account (Council Housing Account) and the Collection Fund (Council Tax and Business Rates Collection Account)
- Make recommendations for the use of the resultant improvement in the financial position of the City Council compared to the forecast financial position as set out in the Portsmouth City Council Budget 2012/13 to 2016/17 report approved on the 12<sup>th</sup> February 2013

## 2. Recommendations

2.1 It is recommended that:

- i) The final outturn position for 2012/13 (subject to audit) be noted in respect of the General Fund, Collection Fund and Housing Revenue Account
- ii) That the following reduction in the 2013/14 cash limits related to the "Claw back" of overspendings in 2012/13 are noted:

Children & Education	£3,000
Leader	£3,000

- iii) The sum of £5,000,000 be transferred to the Revenue Reserve for Capital to supplement the Capital Resources available in order to accelerate the Council's current strategy to drive economic growth and jobs within the City
- iv) The sum of £439,000 be transferred from General Reserves to the Medium Term Resource Strategy Reserve in order to replenish the reserve to a level that is sufficient to finance future spend to save schemes, feasibility studies and staff redundancy costs.
- v) In the event that the external auditors require any adjustments to the Final Accounts for 2012/13 that alter the overall net improvement in the Council's position from £5,439,000, the Head of Finance & Section 151 Officer be authorised to, in the first instance, adjust the transfer to the Medium Term Resource Strategy Reserve accordingly and, if necessary, the transfer to the Revenue Reserve for Capital for any remaining sum.

## 3. Background

3.1 On the 12<sup>th</sup> February 2013, the City Council approved a Revised Budget (General Fund) for 2012/13 of £195,582,325. This budgeted expenditure was to be financed as follows:

	£
Formula Grant	84,881,677
Council Tax	68,596,699
Other General Grants	36,300,057
General Reserves	5,803,892
<b>Total Financing</b>	<b><u>195,582,325</u></b>

- 3.2 This level of budgeted spending relied on the use of £5.804m from General Reserves and represents the extent to which the Council's budgeted in-year spending exceeded its in-year income. The main reason for the draw down of £5.8m from General Reserves was to transfer the £4.202m underspend from 2011/12 (which had accrued to General Reserves) into the MTRS Reserve.
- 3.3 The future years' budget forecasts, prepared at the time the budget was approved in February 2013, indicated that the Council had underlying budget deficits of the following:

Year	Forecast Budget Deficit £m
2013/14 (funded from Reserves)	0.3
2014/15	6.6
2015/16	15.8
2016/17	26.0

The Council has sufficient General Reserves to be able to provide temporary support to its budget in the short term and therefore is able to manage the elimination of these deficits over a 3 year period. The savings targets to achieve £26.0m over the next 3 years that have been approved by the Council are as follows:

Year	In Year Target £m	Cumulative Saving £m
2014/15	9.0	9.0
2015/16	8.5	17.5
2016/17	8.5	26.0

**4. Revenue Outturn 2012/13 (General Fund)**

- 4.1 The City Council's Financial Statements (Final Accounts 2012/13) were finalised in June 2012 and submitted to the external Auditor (Ernst & Young) for auditing. The final audited accounts were subsequently approved by the Governance, Audit & Standards Committee on 26<sup>th</sup> September 2013.
- 4.2 At the time of writing this report the Audit of the Accounts 2012/13 had not been finalised. The audit however, was nearing its conclusion and it is not anticipated that any adjustments will be required that impact on the overall net expenditure of the Council for 2012/13. This means that the overall underspend, and therefore the level of General Reserves (which are used to support future years budgets) arising from the 2012/13 reported Final Accounts and set out in this report, is not expected to change.
- 4.3 Overall net expenditure for the City Council in 2012/13 amounted to £191,226,400 compared to the Revised Budget of £195,582,300. This is an underspend against budgeted expenditure of £4,355,900. In addition to this however, the Council received higher sums than anticipated from General Grants amounting to £930,400. The overall net improvement against the

budget therefore amounts to £5,286,300 and represents a variance of 2.7%. This is set out in summary in Appendix 1.

4.4 The most significant reasons for the £5.3m underspend are set out below:

#### Overall Variance against Budget

The total of all Portfolio and Committee variations compared to budget was an underspend of £1.890m (1.25%). All Portfolio's operated within the Council's budget rules and exercised strict financial control over their activities throughout the year. As a result any individual net Portfolio overspends that arose represented less than 1.0% of the respective Portfolio budget.

Portfolio under and overspendings along with an underspending of £2.202m within Other Expenditure are set out in Appendix 1.

Set out below are the main variances that occurred both within Portfolio and outside of Portfolio Expenditure. In particular, whilst there were a number of variances within the Health & Adult Social Care and Children & Education Services both of these Portfolios exercised effective financial management and remained at or around their overall Portfolio Cash Limit.

#### Main Underspendings against Budget:

- Unused general contingency of £1.5m
- Higher than anticipated Grants from Government of £0.9m mainly relating to a re-imburement of funding withdrawn for Academies
- Release of sums set aside for anticipated non recovery of housing renovation loans to the private sector in the sum of £0.8m. Security for loans has now been provided by placing registered charges on properties allowing the financial provision set aside for non-recovery to be released
- In Children & Education Services - £0.8m savings were realised from holding vacancies and reduced project spend in the Early Years Service (£0.2m), holding vacancies and reduced contracted services in the Youth Service (£0.2m) plus other savings in Management, Support and Strategic Commissioning (£0.4m).
- Savings within Adult Social Care amounting to £0.4m mainly arising from additional client contributions from in house residential units (£0.2m) plus reduced clients and savings in staff and client activities in day care services (£0.2m)
- Improved trading results from the Port of £0.5m
- Non-use of the specific contingency held to cover potential cash and interest rate movements in the Council's Treasury Management activities amounting to £0.5m

### Main Overspendings against Budget:

- In Education & Children's Services – £0.7m arising from increased numbers of Looked After Children and therefore a higher than anticipated use of Independent Foster Agencies for their placement
- In Adult Social Care – £0.4m mainly arising in domiciliary care services due to increased demand.

4.5 A full summary of each Portfolio's variances against their cash limit is attached at Appendix 1 as well as an analysis of windfall savings and windfall costs for which Portfolios are not accountable.

4.6 Two Portfolios marginally exceeded their cash limited budget in 2012/13 (after adjusting for windfall costs and windfall savings) as follows:

Children & Education	£3,000
Leader	£3,000

The Council resolution of 15<sup>th</sup> December 2009 stated that any overspendings against cash limits in one year will be deducted from the following year's cash limit. Therefore cash limit reductions have been made to those Portfolios for the sums stated above.

## **5. General Fund Reserves**

5.1 The Council had originally planned its Medium Term Financial forecasts, savings requirements and budget for 2012/13 on the basis of a deficit (and therefore a withdrawal from General Reserves) of £5.804m. The actual deficit for the year of £0.518m and the consequent underspend has improved the financial position of the Council compared to the forecasts presented to Council as part of the Budget Report in February 2013. In addition, the claw back of overspendings amounting to £6,000 has also had a positive impact. The overall impact of these improvements in the Council's forecast position, amounting to £5.292m, is set out below (this however does not include the effect of the performance of the Collection Fund – see next section):

	<b>£ 000</b>
Actual withdrawal from General Reserves for 2012/13	518
Less: Planned withdrawal from General Reserves as per the Revised Budget 2012/13	(5,804)
Add: Claw back in 2013/14 of overspendings in 2012/13	(6)
<b>Total Improvement in Forecast Financial Position</b>	<b>(5,292)</b>

5.2 The in-year deficit of £0.518m has reduced the balance on General Reserves from £24.141m as at 1<sup>st</sup> April 2012 to £23.623m as at 31<sup>st</sup> March 2013. This is illustrated below:

	<b>£ 000</b>
General Reserves as at the 1 <sup>st</sup> April 2012	24,141
Less: Deficit transferred from General Reserves 2012/13	518
<b>General Reserves as at the 31<sup>st</sup> March 2013</b>	<b>23,623</b>

**6. Collection Fund**

The Collection Fund is a statutory account which includes all transactions in respect of Non Domestic Rates and Council Tax and shows how these sums are distributed to the City Council, the Police Authority and the Hampshire Fire & Rescue Authority. The overall balance on the Collection Fund is consolidated with the other accounts of the Authority into the Balance Sheet.

The Collection Fund is intended to break even but is dependent largely on the robustness of the estimates of the amount of Council Tax that will be collected. It involves forecasting all of the Council Tax income due from all properties including the effect of exemptions and discounts across the City’s 88,000 properties. At the beginning of the year, the fund was in deficit in the sum of £419,000 and when the Budget was revised in February 2013 it was anticipated that the fund would be in deficit in the sum of £200,000 by the end of 2012/13. The Budget for 2013/14 was prepared on this basis i.e. that there would be a repayment of this deficit of £200,000 during 2013/14.

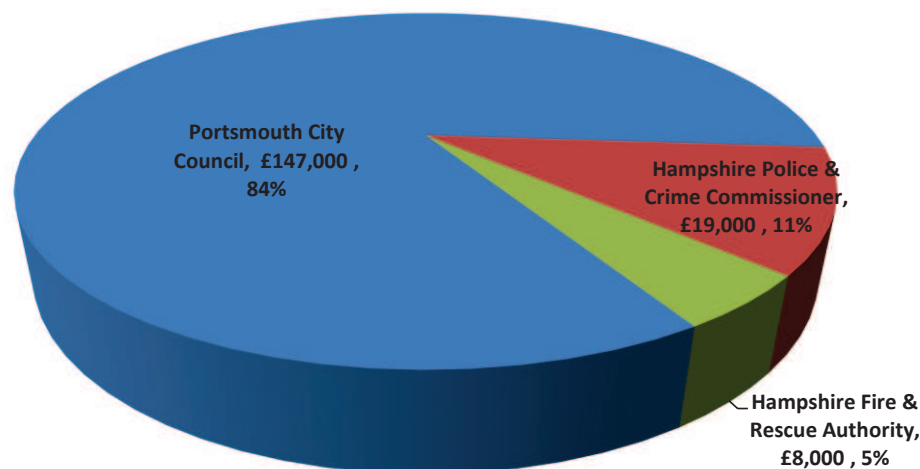
The actual deficit on the Collection Fund at the end of 2012/13 was just £27,000 i.e. £173,000 lower than anticipated. Since the Budget and Council Tax for 2013/14 was set on the basis of a £200,000 deficit, the improvement of £173,000 from the estimate can be distributed through the 2014/15 Budget Process. An estimate of the Collection Fund balance as at the end of 2013/14 will be revised in the light of this improvement and all other circumstances just prior to setting the Council Tax and Budget for the next financial year. Any estimated surplus at that time will then be distributed to constituent Authorities during the next financial year.

The primary cause of the overall fund improvement is slightly higher than anticipated Council Tax income receivable than estimated.

The City Council administers the Collection Fund and collects the Council Tax on behalf of the City Council, Hampshire Police & Crime Commissioner and the Hampshire Fire & Rescue Authority and therefore any surplus or deficit on the fund is shared with them. Should the unplanned improvement of £173,000 remain, this would be shared as follows:



## 2012/13 Unplanned Reduction in Collection Fund Deficit £173,000



Any unplanned surplus that relates to the City Council (i.e. £147,000) will be transferred to General Fund Reserves in 2014/15 and planned into future financial forecasts accordingly.

### 7. Overall General Fund Financial Position 2012/13

7.1 In overall terms, the General Fund position of the Council compared to the Medium Term Financial forecasts presented to Council on 12<sup>th</sup> February 2013 has improved by the sum of £5.439m arising from the underspend against the Revenue Budget, further improved by both the £6,000 clawback of the 2012/13 overspendings and the improvement on the Collection Fund deficit of £147,000. The improved position on the Collection Fund however, will be subject to review as part of the forthcoming budget process and factored into the future revision of the City Council's Forecasts in February 2014 for next year's budget. The forecast improvement in the City Council's General Fund position therefore is as follows:

	<b>£ 000</b>
Net Improvement in General Reserves 2012/13 (versus forecast)	5,286
<u>Add:</u>	
Claw back in 2013/14 of overspendings in 2012/13	6
<b>Actual Improvement vs. Forecast General Fund Position</b>	<b>5,292</b>
<u>Add:</u>	
PCC Share of improvement on the Collection Fund (subject to review and to be transferred to General Reserves in 2014/15)	147
<b>Potential Improvement in General Fund Position</b>	<b>5,439</b>

7.2 The Council now has some strategic options for the use of this £5.439m. That use ought to be consistent with a good and strong financial strategy (as described below). The overall aim of a good financial strategy is that:

*"In year" expenditure matches "in year" income over the medium term whilst maintaining our most important and valuable services*

In recent years, the Council has been following a strategy aimed at making efficiencies first before considering service reductions, joint working arrangements in order to reduce costs and pursuing new income streams wherever possible. In parallel with that, the Council has prioritised Capital Investment towards regeneration as a means of improving the prosperity of the City through job creation which satisfies one of its core priorities but which has the added benefit of reducing the pressure on Council Services.

A good financial strategy would also include the following objectives which will be proposed to the City Council in a forthcoming budget report:

- Protect the "baseline" - measures which avoid any deterioration in the Council's financial position, in particular shifting resources towards prevention to avoid future costs
- Increase income - to reduce the Council's dependency of government funding which is declining sharply and which could include taking a more entrepreneurial role (e.g. Invest to Save through property acquisition and development, selling services etc.)
- Reduce costs - through efficiencies, lean and targeted commissioning, strong contract management and prioritised service reductions
- Effective financial framework i.e. to encourage responsible spending and medium term financial planning
- Strong financial resilience i.e. sufficient reserves to be able to respond to "financial shocks" without the need for drastic and unplanned reductions to services

The strategic options available to the Council for the use of the £5.439m are as follows:

- To "Smooth out" the savings required in 2014/15 and future years to meet the Council's forecast deficits of £6.6m in 2014/15, £15.8m in 2015/16, and £26.0m in 2016/17; or
- Supplement the MTRS Reserve, earmarked for spend to save initiatives, feasibility studies and redundancy costs, which currently stands at £15.9m. After taking account of approved and other estimated commitments against the reserve, the current uncommitted balance stands at £2m; or
- Continue the drive towards regeneration and job creation in the City and the region by supplementing the resources available for Capital Investment

7.3 The Council is currently engaged in a number of negotiations and bids for additional funding that could have a transformational effect on the City and the City's economy. Examples include:

- The City Deal - A negotiation with Government to provide funding or allow additional business rates to be retained by the Council to support infrastructure investment which will enable sites to be developed in and around Tipner and Port Solent. This has the potential to lever in total investment of between £600m to £700m
- The Northern Quarter Development - A City Centre retail and leisure development with a potential total investment of £250m
- Dunsbury Hill Farm - Council owned land in Havant which can be developed. For phase 1, the City Council is looking to develop 500,000 square feet of land for B1/B2/B8 use. The site has obtained outline planning permission. It is anticipated that the site will support between 700 and 1,000 jobs and there is serious interest from prospective occupants. The total potential investment (in phase 1) is £50m
- The Hard - Replacement of the existing bus interchange and improvement of the public realm. Evidence from developers and the business community indicate that a high quality environment is needed to unlock development at eight identified opportunity sites (delivering at least 300 residential units, 25,000m<sup>2</sup> of hotel space, and 20,000 m<sup>2</sup> of office floor space, together with lower levels of retail floor space). In the short-term it will help unlock development at the Brunel House site, generating 186 direct and 82 indirect net jobs within the region.

In order to unlock the potential investment within the City and attract the external funding associated with these schemes, the City Council will need to provide some match funding of its own. In addition to this, it will also be necessary to incur costs at its own risk in working up feasibility and other studies in order to progress those bids.

7.4 Given the potential transformational effect that these major developments could have on the wealth and prosperity of the City, it is recommended that £5,000,000 of the improvement in the City Council's financial position be transferred to the Revenue Reserve for Capital to supplement the Capital Resources available in order to accelerate the Council's current strategy to drive economic growth and jobs within the City

7.5 Given also that spend to save schemes, in general, deliver the same or comparable levels of service for reduced cost, this method of meeting the City Council's savings targets is preferable to service reductions. There is a need therefore to maximise the resources available to the MTRS Reserve in order to provide any up front funding for future savings. For these reasons, it is recommended that the remaining £439,000 of the improvement in the City Council's financial position be transferred to the Medium Term Resource Strategy Reserve. This will replenish the reserve to a level that is sufficient to

finance future spend to save schemes, feasibility studies and staff redundancy costs.

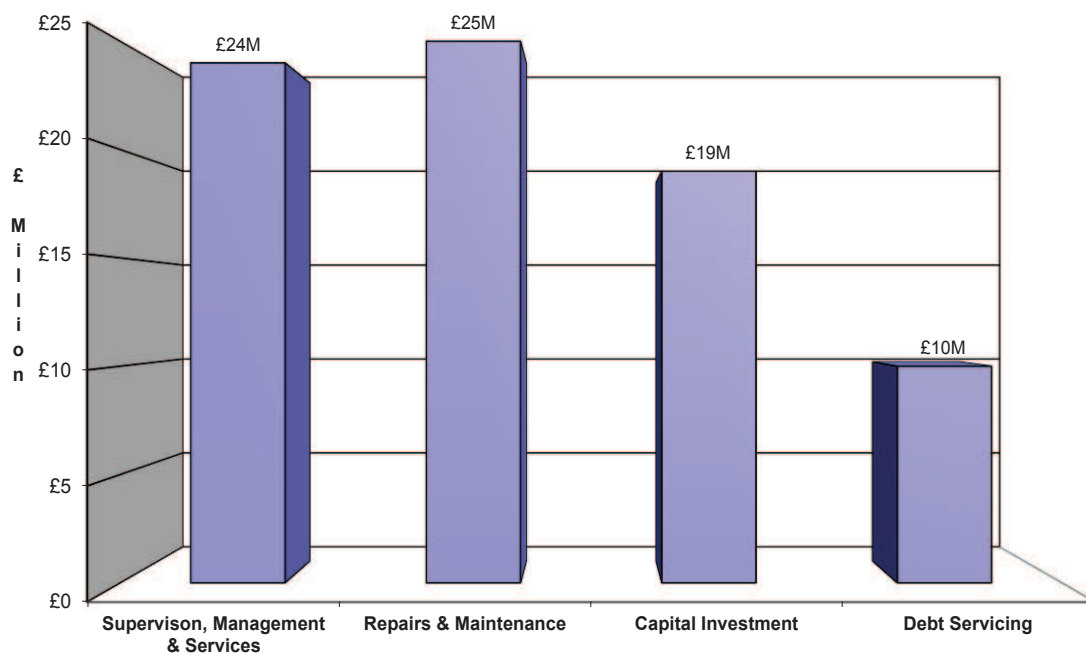
- 7.6 Should the Council decide to transfer the sum of £5.439m into the Revenue Reserve for Capital and the MTRS Reserve, the longer term forecast of General Reserves after taking account of the planned use of General Reserves to support future years budgets whilst savings targets are being “managed in”, is forecast to reduce to £8.4m and is the sum approved by the City Council in February 2013. This is set out below:

<b>Medium Term Forecast of General Reserves – 2013/14 to 2016/17</b>	<b>£ m</b>	<b>£ m</b>
<b>General Reserves as at 1 April 2012</b>		24.141
<u>Add:</u>		
Claw back in 2013/14 of overspendings in 2012/13	0.006	
Improvement in Collection Fund	0.147	
		0.153
<u>Less:</u>		
In-Year Deficit 2012/13	(0.518)	
Recommended Transfer to the Revenue Reserve for Capital	(5.000)	
Recommended Transfer to MTRS Reserve	(0.439)	
		(5.957)
<u>Less:</u>		
Used to Support Approved Budget 2013/14	(0.313)	
Used to Support Forecast Budget 2014/15	(6.574)	
Used to Support Forecast Budget 2015/16	(3.050)	
Used to Support Forecast Budget 2016/17	0	
		(9.937)
<b>Forecast General Fund Position as at 31<sup>st</sup> March 2017</b>		<b>8.400</b>

## 8. Housing Revenue Account (HRA)

- 8.1 The HRA includes only income and expenditure relating to the City’s council housing stock. It does not include Local Authority expenditure on other Housing services e.g. support for Registered Social Landlords or Housing Benefit Payments. The purpose of the HRA is to separately identify the services that council tenants pay for through their rents as opposed to their Council Tax. It includes expenditure on Management & Maintenance of Council Housing and how these costs are met by Rents, Charges, Grants and other income. An analysis of the main types of expenditure on Council Housing is illustrated below.

**Main Areas of Council Housing Revenue Spending 2012/13**  
£78 Million



8.2 The Revised Budget for 2012/13 approved in February 2013 assumed that the HRA would make a withdrawal from the HRA General Balance of £0.5m. This was deliberately planned in order to provide funds to support expenditure in the current year and provide a cushion whilst expenditure is managed down over time to a point in future years when in-year expenditure broadly meets in-year income. Compared with the actual withdrawal from the HRA Reserve of £2.2m, this represents a deterioration in the overall anticipated financial position on the HRA of £1.7m.

8.3 The HRA Reserve now stands at £8.5m compared with £10.7m at 31 March 2012 and is held as an overall contingency to avoid falling into deficit and to provide support to future years budgets where income levels are not sufficient to meet service needs.

8.4 The HRA continues to maintain a healthy position. Current estimates indicate that the HRA will need to sustain deficits over the short term but then even out over the medium term.

## 9. Summary & Conclusion

9.1 In 2012/13 the Council experienced a reduction in its General Reserves (excluding schools) of £0.5m and this represents the extent to which the City Council's in-year expenditure has exceeded its in-year income. The Council had actually budgeted for a withdrawal from General Reserves of £5.8m, therefore this reduced withdrawal from General Reserves represents an overall underspend against the budget of £5.3m. The £5.3m improvement arose from underspendings, in the main, arising from the non-use of contingencies, additional government grants and releases of sums that had previously been set aside for anticipated non recovery of loans.

- 9.2 The deficit on the Collection Fund of £27,000 is lower than the anticipated deficit of £200,000 reflected within the Budget. The City Council’s share of the £173,000 budget surplus is £147,000.
- 9.3 Taking the above factors together, there is a forecast improvement of £5.4m in the overall financial position of the Council. This is now available either to “smooth out” the savings requirements of the Council over a longer period of time or to use to supplement the MTRS Reserve or to be invested to accelerate the Council's current strategy to drive economic growth and jobs within the City.
- 9.4 It is recommended that the Council uses £5,000,000 of the improvement to provide additional capital resources in order to accelerate the Council's current strategy to drive economic growth and jobs within the City and uses the remaining £439,000 to support spend to save schemes as a key driver to meet the Council's future savings requirements.
- 9.5 In relation to the Housing Revenue Account, a withdrawal from HRA Reserves of £2.2m was made during 2012/13. This represents a £1.7m overspend versus the Budget approved in February 2013 and leaves the balance on the HRA Reserve at £8.5m as at 31<sup>st</sup> March 2013.

**10. City Solicitor’s Comments**

- 10.1 The City Solicitor is satisfied that it is within the Council’s powers to approve the recommendations as set out.

**11. Equality Impact Assessment**

- 11.1 Since the recommendations contained within this report simply propose a transfer of funds between one financial reserve to another and the use of any funds within those reserves has not yet been determined, an equality impact assessment is not necessary.

.....

**Chris Ward**  
**Head of Finance & Section 151 Officer**

**Background List of Documents –**

Section 100D of the Local Government Act 1972

The following documents disclose facts or matters which have been relied upon to a material extent by the author in preparing this report –

<b>Title of Document</b>	<b>Location</b>
Portsmouth City Council Budget 2013/14 to 2016/17	Office of Head of Finance
Statement of Accounts 2012/13 (Governance & Audit Committee 26 <sup>th</sup> September 2013)	Office of Head of Finance
Electronic Final Accounts Files 2012/13	Financial Services Local Area Network

The recommendations set out above were:

Approved / Approved as amended / Deferred / Rejected by the Cabinet on 7<sup>th</sup> October 2013

Signed: .....

Approved / Approved as amended / Deferred / Rejected by the City Council on 15<sup>th</sup> October 2013

Signed: .....

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## APPENDIX 1

### GENERAL FUND OUTTURN 2012/13 - SUMMARY

	£	£	%
<b>CASH LIMITS (excluding Windfall Items)</b>			
<b>Portfolio &amp; Committee Variances</b>			
Culture, Leisure & Sport		(50,000)	(0.52)%
Children & Education		3,000	0.01%
Environment & Community Safety		(335,000)	(2.09)%
Health & Adult Social Care		(6,000)	(0.01)%
Housing General Fund		(804,000)	(35.64)%
Leader		3,000	0.89%
Planning Regeneration & Economic Dev't			
Property Portfolio	201,000		
Planning	4,000		
Economic Regeneration	(52,000)		
Port	<u>(482,000)</u>		
		(329,000)	5.09%
Resources		(203,000)	(0.76)%
Traffic & Transportation		0	0.00%
Governance & Audit Committee		(117,000)	(31.90)%
Licensing Committee		(52,000)	(48.64)%
<b>Sub Total - Portfolio &amp; Committee Variances</b>		<b><u>(1,890,000)</u></b>	<b><u>(1.25)%</u></b>
<b>OTHER EXPENDITURE</b>			
Contingency Provision Unused		(1,449,000)	(100.03)%
Other Transfers to / (from) Specific Reserves		0	0.00%
Debt Financing and Interest Charges		(542,000)	(2.35)%
Other Miscellaneous			
MMD		(140,000)	(100.00)%
Other		(71,000)	(1.39)%
<b>Sub Total - Other Expenditure Variances</b>		<b><u>(2,202,000)</u></b>	<b><u>(4.94)%</u></b>
<b>FINANCING</b>			
Grants		(930,000)	
<b>Total Underspendings 2012/13 (Excluding Windfall Items)</b>		<b><u>(5,022,000)</u></b>	<b><u>(2.57)%</u></b>
<b>Windfall Costs / (Savings)</b>			
<b>Environment &amp; Community Safety</b>			
Landfill Allowances Trading Scheme		66,000	
<b>Resources</b>			
Council Tax Benefits		10,000	
Housing Benefit		(176,000)	
Reduced external audit fees negotiated by the Local Government Association		(139,000)	
Spinnaker Tower		(41,000)	
Land Charges		16,000	
<b>Total Underspendings 2012/13</b>		<b><u>(5,286,000)</u></b>	<b><u>(2.70)%</u></b>
<b>CLAWBACK OF 2012/13 OVERSPENDINGS</b>			
Children & Education		(3,000)	
Leader		(3,000)	
<b>Actual Improvement in Financial Position</b>		<b><u>(5,292,000)</u></b>	
<b>COLLECTION FUND</b>			
Collection Fund Deficit 2012/13 - Estimated to be transferred to General Reserves in 2013/14		(147,000)	
<b>Potential Improvement in Forecast Financial Position</b>		<b><u>(5,439,000)</u></b>	

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# Agenda Item 9

## **GOVERNANCE & AUDIT & STANDARDS COMMITTEE**

(from 26 September 2013)

GAS

### **Compliance with the Gifts and Hospitality Protocol (Minute 59 refers)**

The purpose of the report, set out on pages 1 to 16 of the appendices, is to update members on any issues regarding compliance with the Gifts and Hospitality protocol and to advise on remedies.

**RECOMMENDED to Council that the current level up to which hospitality may be accepted be increased to £40.**

Councillor Terry Hall  
Chair

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**Decision maker:** Governance & Audit & Standards Committee

**Subject:** Compliance with the Gifts and Hospitality Protocol

**Report by:** City Solicitor

**Wards affected:** All

**Key decision (over £250k):** No

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**1. Purpose of report**

To update members on any issues regarding compliance with the Gifts and Hospitality protocol and to advise on remedies.

**2. Recommendations**

That the report be noted and Members consider an increase in the current level up to which gifts may be accepted, currently £25.

**3. Background**

The Protocol for Gifts & Hospitality was approved by the Standards Committee on 12 September 2007 subject to a six month review on the 31 March 2008. The protocol and "Frequently Asked Questions" were subsequently approved by the Standards Committee on the 31<sup>st</sup> March 2008. The protocol requires an annual report by the Monitoring Officer on compliance to enable this committee to make any necessary recommendations for change - this report addresses that requirement.

**4. Protocol compliance**

A number of analyses of the entries in the Gifts & Hospitality system are contained in Appendix 1 to support the following assessments of protocol compliance. The number of entries for the period covered by this report (18<sup>th</sup> February 2011 to 28<sup>th</sup> August 2013) is 541.

The protocol is also attached to this report as Appendix 2.

The main requirements of the protocol are as follows -

- A. Gifts which may be accepted under the protocol must be under £25 in value (£5 for staff in Adult Social Care) and given without ulterior motive. There should not be any danger of misinterpretation by the public and they must not have become a frequent occurrence.
- a) There are a number of entries where the value exceeds the limits outlined above and these are dealt with specifically below.
  - b) All other entries have been approved by Heads of Service and meet the requirements of the protocol.
- B. Gifts which must not be accepted include - those where the value exceeds £25 (£5 for Adult Social Care), gifts of cash (this has been interpreted to also include vouchers), gifts from persons with whom the council is in contract negotiations (or could be) and those where we regulate or monitor services.
- a) As mentioned above there are a number of entries where the value exceeds £25 (or £5 for Adult Social Care) and there are also a number of entries of cash, or vouchers. These are dealt with separately below.
  - b) There do not appear to be any other entries that do not adhere to the general principals contained in the protocol.
- C. Hospitality – the principals for acceptance generally follow those in respect of gifts.
- a) All entries have been appropriately recorded and actioned (approved or rejected) by the Head of Service.
- D. Analysis of entries where the value has exceeded £25 (Appendix 1, page 8)
- a) Of the 75 accepted entries where the value exceeds £25 –
    - i) 38 are for offers of hospitality
    - ii) 8 are for study trips, part of staff development
    - iii) 4 were donated to charity
    - iv) The remaining 25 were aggregated items, 5 of which were accepted on behalf of a service rather than being accepted in a personal capacity. 16 of the entries related to staff representing Portsmouth City Council in the Great South Run and Caen 10km Road Race.
- E. As regards Adult Social Care where the limit is set at £5, the details are as follows (Appendix1, page 6)
- a) 34 entries in total
  - b) 23 of the 34 relate to entries under £5
  - c) The remaining 11 which exceed £5 can be analysed as follows
    - i) Onward donation – 4
    - ii) Accepted on behalf of service rather than in a personal capacity – 5
    - iii) Retained by recipient or shared with colleagues - 3
- F. Cash and vouchers

- a) An analysis of the system entries for cash or vouchers is contained in Appendix 1, page 5.
- b) Total value where the amount has been specified is – cash £50.00 and vouchers £180.00
  - i) Cash
    - (1) Donated to Lord Mayor charity – £20.00
    - (2) Donated to other charity - £15.00
    - (3) Retained - £15.00
  - ii) Vouchers
    - (1) Donated to Lord Mayor charity - £35.00
    - (2) Retained - £120.00
    - (3) Rejected – Unknown as amount not specified

In light of the number of hospitality events attended by staff, which have had a value in excess of the current limit, £25.00 that have been appropriate and approved by Head of Service, Members may decide that it is timely to review the limit currently in place for accepting gifts and hospitality. This limit has been in place for some time now.

There were two gifts entered in the register, which were accepted by the receiver but not approved by the Head of Service. One receiver has since left PCC and the other accepted the gift on behalf of a service.

## **5. Equality impact assessment (EIA)**

This is a report on the operation of the protocol; an EIA is not therefore relevant.

## **6. Head of finance's comments**

Not relevant to this report.

.....  
Signed by:

**Appendices:**

Appendix 1 – various analyses of entries in the Gifts & Hospitality system  
 Appendix 2 – Protocol for staff on Gifts & Hospitality, Bequests and Sponsorship

**Background list of documents: Section 100D of the Local Government Act 1972**

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

<b>Title of document</b>	<b>Location</b>
Data report form Gifts & Hospitality system	Held by System Administrator

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by ..... on .....

.....  
 Signed by:



## Analysis of system entries by Head of Service (18 February 2011 – 28 August 2013)

<b>SD</b>	<b>HoS</b>	<b>2011 - 2013</b>
<b>David Williams</b>	Julian Wooster	1
	Kathy Wadsworth	23
	Margaret Geary	4
	Michael Lawther	30
<b>David Williams Total</b>		<b>58</b>
<b>Julian Wooster</b>	Di Mitchell	6
	Jon Bell	26
	Stephen Kitchman	23
<b>Julian Wooster Total</b>		<b>55</b>
<b>Kathy Wadsworth</b>	Alan Cufley	32
	John Slater	2
	Simon Moon	46
	Stephen Baily	41
<b>Kathy Wadsworth Total</b>		<b>121</b>
<b>Margaret Geary</b>	Ed Woodhouse	11
	Louise Wilders	25
	Owen Buckwell	108
	Robert Watt	34
<b>Margaret Geary Total</b>		<b>178</b>
<b>Michael Lawther</b>	Chris Ward	46
	David Williams	7
	Kay White	17
	Mel Burns	24
	Rachael Dalby	22
	Suki Binjal	4
	Tony Nicholas	9
<b>Michael Lawther Total</b>		<b>129</b>
<b>Grand Total</b>		<b>541</b>

### Notes:

1. Analysis is by current Head of Service (actions in year would be by HoS in post at that time)
2. SD's as Heads of Service are in respect of actions on entries by Heads of Service as HoS cannot self-approve.
3. Actions by Michael Lawther include entries for staff at the Port

## Analysis by Head of Service to show Accepted / Donated / Rejected

SD	HoS	Accepted	Donated	Rejected	Grand Total
David Williams	Julian Wooster	1	0	0	1
	Kathy Wadsworth	18	0	5	23
	Margaret Geary	4	0	0	4
	Michael Lawther	14	1	15	30
<b>David Williams Total</b>		<b>37</b>	<b>1</b>	<b>20</b>	<b>58</b>
Julian Wooster	Di Mitchell	6	0	0	6
	Jon Bell	9	1	16	26
	Stephen Kitchman	23	0	0	23
<b>Julian Wooster Total</b>		<b>38</b>	<b>1</b>	<b>16</b>	<b>55</b>
Kathy Wadsworth	Alan Cufley	30	0	2	32
	John Slater	2	0	0	2
	Simon Moon	33	2	11	46
	Stephen Baily	39	1	1	41
<b>Kathy Wadsworth Total</b>		<b>104</b>	<b>3</b>	<b>14</b>	<b>121</b>
Margaret Geary	Ed Woodhouse	11	0	0	11
	Louise Wilders	21	4	0	25
	Owen Buckwell	100	1	7	108
	Robert Watt	26	8	0	34
<b>Margaret Geary Total</b>		<b>158</b>	<b>13</b>	<b>7</b>	<b>178</b>
Michael Lawther	Chris Ward	45	0	1	46
	David Williams	6	0	1	7
	Kay White	2	0	15	17
	Mel Burns	23	0	1	24
	Rachael Dalby	20	2	0	22
	Suki Binjal	4	0	0	4
	Tony Nicholas	3	1	5	9
<b>Michael Lawther Total</b>		<b>103</b>	<b>3</b>	<b>23</b>	<b>129</b>
<b>Grand Total</b>		<b>440</b>	<b>21</b>	<b>80</b>	<b>541</b>

## Items donated to Lord Mayor's Appeal

Count of Accepted/Rejected		Accepted/Rejected			Grand Total
HoS	Receiver	Accepted	Donated	Rejected	
Alan Cufley	Colin Walker	1	0	0	1
	Peter Mountford	0	1	0	1
<b>Alan Cufley Total</b>		<b>1</b>	<b>1</b>	<b>0</b>	<b>2</b>
Jon Bell	Nicola Waterman	0	1	0	1
<b>Jon Bell Total</b>		<b>0</b>	<b>1</b>	<b>0</b>	<b>1</b>
Louise Wilders	Peter Smith-Parkyn	0	2	0	2
	Claire Green	0	1	0	1
	Alison Herod	0	1	0	1
<b>Louise Wilders Total</b>		<b>0</b>	<b>4</b>	<b>0</b>	<b>4</b>
Margaret Geary	Paula Day	1	0	0	1
<b>Margaret Geary Total</b>		<b>1</b>	<b>0</b>	<b>0</b>	<b>1</b>
Michael Lawther	Phil Gadd	0	1	0	1
<b>Michael Lawther Total</b>		<b>0</b>	<b>1</b>	<b>0</b>	<b>1</b>
Rachael Dalby	Amanda McKenzie	1	0	0	1
	Uta Schmidtblaicher	0	2	0	2
<b>Rachael Dalby Total</b>		<b>1</b>	<b>2</b>	<b>0</b>	<b>3</b>
Robert Watt	Laura McMahon	0	1	0	1
	Caroline Broadbent	1	0	0	1
	Margaret Cox	0	1	0	1
	Zoe Ford	0	1	0	1
<b>Robert Watt Total</b>		<b>1</b>	<b>3</b>	<b>0</b>	<b>4</b>
Simon Moon	David Moorman	0	1	0	1
<b>Simon Moon Total</b>		<b>0</b>	<b>1</b>	<b>0</b>	<b>1</b>
Stephen Baily	Stephen Rees	1	0	0	1
	Heather Todd	1	0	0	1
	Michael Gunton	2	0	0	2
<b>Stephen Baily Total</b>		<b>4</b>	<b>0</b>	<b>0</b>	<b>4</b>
Tony Nicholas	Claire Ridout	0	1	0	1
<b>Tony Nicholas Total</b>		<b>0</b>	<b>1</b>	<b>0</b>	<b>1</b>
<b>Grand Total</b>		<b>8</b>	<b>14</b>	<b>0</b>	<b>22</b>

### Notes:

1. Although entry may show as "Accepted", text in the "Description" or "Reason" field indicate that the item has been passed to the Lord Mayors Appeal.
2. Lord Mayor staff have been asked to verify that all items identified as donated to the appeal have been received (awaiting confirmation).

## Donated to charity

	Alan Cufley	Di Mitchell	Jon Bell	Louise Wilders	Margaret Geary	Michael Lawther	Owen Buckwell	Rachel Dalby	Robert Watts	Simon Moon	Stephen Bailly	Tony Nicholas	Grand Total
<b>Donated to</b>													
Portsmouth Carers Centre									1				1
Service User Group									2				2
Stamshaw Children's Centre		1											1
Unknown									1	1			2
Wecock Church							1						1
Young Persons Support Team							1						1
Lord Mayor	2		1	4	1	1		3	4	1	4	1	22
<b>Grand Total</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>4</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>8</b>	<b>2</b>	<b>4</b>	<b>1</b>	<b>30</b>

### Notes:

1. Of 30 entries shown as donated 22 were to the LM Appeal.
2. The remainder have been donated to various charities relating to their area of work as approved by managers.
3. It is unknown where one gift was donated to as the member of staff has since left PCC

## Cash or Vouchers received.

<u>HoS</u>	<u>Receiver</u>	<u>Cash or Voucher</u>	<u>Value</u>	
Alan Cufley	Stephen Henwood	V	£50.00	Retained
	Stephen Hogan	V	£50.00	Retained
Di Mitchell	June Taylor	C	£10.00	Donated (Stamshaw Children's Centre)
Kathy Wadsworth	Stephen Bailey	V	Unknown	Rejected
Margaret Geary	Paula Day	C	£15.00	Retained
Owen Buckwell	Stephen Jackson	V	Unknown	Retained
	Allan Cox	V	Unknown	Retained
	Annette Kemp	V	Unknown	Rejected
	Rachel Fagan	C	£5.00	Donated (Wecock Church)
Rachael Dalby	Alan Knobel	V	£20.00	Retained
	Amanda McKenzie	V	£25.00	Donated (LM)
	Uta Schmidtlaicher	C	Unknown	Dontated (LM)
Robert Watt	Laura McMahan	V	£10.00	Donated (LM)
	Caroline Broadbent	V	£50.00	Donated (LM)
	Zoe Ford	V	Unknown	Donated (unknown)
Stephen Baily	Stephen Rees	C	£20.00	Donated (LM)
	Isobel Price	V	Unknown	Rejected
<b>Summary</b>		<b>Cash</b>	<b>£50.00</b>	
		<b>Vouchers</b>	<b>£205.00</b>	

### Notes:

1. Total values do not include entries where exact value has not been specified
2. Amount not known – 7 entries
3. Recorded as 'donation to Lord Mayor's Appeal' – £105.00  
Recorded as donation to other charity - £15.00

## Analysis of Adult Social Care entries (restricted under Protocol to under £5)

Count of Year	Receiver	Approx Value				Grand Total	NOTES
		<£5	>£25	£5-£25	Null		
Robert Watt	Carole Knight	1				1	✓
	Caroline Broadbent			1		1	Donated to LM Appeal
		1				1	✓
	Caroline Foster	1				1	Donated to service user group
	Debbie Bates			1		1	Accepted on behalf of team
	Frances Reed	1				1	Shared with team
	Hannah Radice	1				1	Shared with team
	Heather Charley	1				1	✓
				1		1	Accepted on behalf of Vanguard Centre
					1	1	Accepted on behalf of Vanguard Centre
	Helen Bence	1				1	✓
	Janneke Klos			1		1	Shared with colleagues
	Jayne Gentle	10				10	✓
	Jon Brown	1				1	Shared with colleagues
	Julie Roberts	1				1	Shared with colleagues
	Karen Ellins	1				1	✓
	Kerry Lawrence	1				1	✓
	Laura McMahon				1	1	Donated to LM Appeal
	Margaret Cox			1		1	Donated to LM Appeal
	Marina Martin			1		1	Donated to service user group
	Melissa Daniells			1		1	General hospitality – not client gift
	Sarah Vance			1		1	✓
	Sue Galvin	1				1	✓
Yvonne Anthony	1				1	Gift donated	
Zoe Ford				1	1	Donated to LM Appeal	
<b>Robert Watt Total</b>		<b>23</b>	<b>2</b>	<b>9</b>		<b>34</b>	

Notes: ✓ = accepted by receiver and retained

Count of Year HoS	Approx Value			Null	Grand Total
	<£25	<£5	£5-£25		
Alan Cufley		11	15	6	32
Chris Ward		26	10	10	46
David Williams		0	2	5	7
Di Mitchell		2	2	2	6
Ed Woodhouse		6	4	1	11
John Slater		0	2	0	2
Jon Bell		5	17	4	26
Julian Wooster		1	0	0	1
Kathy Wadsworth		2	9	12	23
Kay White		3	9	5	17
Louise Wilders		3	16	6	25
Margaret Geary		3	1	0	4
Mel Burns		8	14	2	24
Michael Lawther		1	14	15	30
Owen Buckwell		66	34	8	108
Rachael Dalby		8	14	0	22
Robert Watt		24	8	3	35
Simon Moon		5	15	26	46
Stephen Baily		26	11	3	40
Stephen Kitchman		7	14	2	23
Suki Binjal		1	2	1	4
Tony Nicholas		3	5	1	9
<b>Grand Total</b>		<b>211</b>	<b>218</b>	<b>112</b>	<b>541</b>

## Analysis by Head of Service to show Gifts & Hospitality over £25

		HoS	Total
Accepted	General Hospitality	Alan Cufley	4
		Chris Ward	3
		David Williams	4
		Jon Bell	1
		Kathy Wadsworth	10
		Louise Wilders	2
		Michael Lawther	4
		Owen Buckwell	1
		Simon Moon	8
		Suki Binjal	1
		Study Trips	Kathy Wadsworth
	Simon Moon		7
	Onwardly Donated	Louise Wilders	2
		Robert Watt	1
		Stephen Baily	1
	Aggregated items	Alan Cufley	2
		Chris Ward	6
		David Williams	1
		Di Mitchell	2
		Ed Woodhouse	1
		Louise Wilders	2
		Mel Burns	1
		Michael Lawther	1
		Owen Buckwell	2
		Simon Moon	1
		Rob Watts	2
		Stephen Baily	2
		Stephen Kitchman	2
	<b>Accepted Total</b>		<b>75</b>
	<b>Grand Total</b>		<b>75</b>

Of the 112 items over £25 in value

- 37 were "Rejected"
- 4 were recorded as donated to the Lord Mayor's Appeal
- Of the 25 aggregated items accepted, 5 of these were accepted on behalf of a service rather than as a personal gift, which was retained or donated
- The remaining "Accepted" entries were recorded as above.

An increase in gifts & hospitality above £25 was seen during 2012 & 2013 due to staff representing PCC in the Great South Run and Caen 10kms road race, which included race entry and for the latter event travel.



## **PROTOCOL FOR STAFF ON GIFTS, HOSPITALITY, BEQUESTS AND SPONSORSHIP**

The public has the right to expect the highest standard of conduct from all Council staff and any departure from this standard would always be regarded as a serious matter.

One area where it is accepted that guidance is required to staff to ensure that their conduct meets public expectation is in relation to the receipt of gifts and hospitality.

Employees should not therefore accept gifts, hospitality, bequests or sponsorship in a personal capacity.

However, it is understood that in certain circumstances refusal may cause offence e.g. where the gifts are small tokens of thanks from appreciative members of the public

### **1. Decision to accept a gift or hospitality**

You must obtain the consent of your Head of Service before accepting a gift or hospitality.

If you are in any doubt the gift or hospitality must be declined.

### **2. Gifts which may be accepted**

- You may accept a gift if it is under £25<sup>1</sup> in value and:
  - no ulterior motive is apparent and
  - there is no danger of misinterpretation by the public (*e.g. because the gift comes from someone tendering for work or who is conducting business with the Council*) and such gifts have not become a frequent occurrence
- This includes small tokens of thanks from appreciative members of the public and promotional items such as pens, diaries, calendars, etc., that are routinely sent out by the various companies and organisations with which the council does business.

<sup>1</sup> Where a Member of Staff is employed in adult care the value of the gift, hospitality, bequest or sponsorship shall not exceed £5.

- If a gift over the value of £25 is offered it should not be accepted unless refusal would cause offence, in which case the gift must be donated to the Lord Mayor's Appeal raffle, e.g. a gift over £25 in value offered by a member of a visiting town twinning group.

### **3. Gifts which must not be accepted**

- Gifts over £25 in value, subject to the exception above
- Gifts of cash
- Gifts from a person with whom the council may contract or is in contract negotiations
- Gifts from any person whose business the council may regulate e.g. through planning control or licensing control
- Gifts from a person where you may be required to formulate recommendations to the council, or you could influence the recommendations of others
- Gifts where you are monitoring the service provided by the person on behalf of the council

### **4. Hospitality**

Hospitality cannot be accepted if it is offered to you in your personal capacity. It may be accepted if you are receiving hospitality on behalf of the council and you have the prior approval of your Head of Service or you are receiving meals as part of a Town Twinning event.

In all cases you should consider the impression that the acceptance of the hospitality will make in the minds of the public. In particular: -

- Is the hospitality offered in proportion or might there be a hidden motive?
- Has it been offered only to you or to others as well?
- Are they conducting business with the Council?
- Does or might the person offering it contract with the council or are they in contract negotiations?
- Is the hospitality offered by a person whose business the council may regulate e.g. through planning control or licensing control?
- Is the hospitality from a person where you may be required to formulate recommendations to the council, or you could influence the recommendations of others?
- Is the hospitality offered from someone where you are monitoring the service provided by the person on behalf of the council?
- If you have any doubt then you should decline the hospitality.

## 5. Bequests

You must actively discourage any bequest or donation being made to you and decline any of which you become aware. If you become aware that such a bequest or donation has been made, or may be made, you must tell the Monitoring Officer as soon as possible.

Wherever possible, the bequest or donation will be declined or returned to the estate of the person who made the bequest. If this is not possible, the bequest or donation will be given to the Lord Mayor's Appeal.

## 6. Sponsorship and financial support

Any offer of sponsorship or financial support to a member of staff will be treated in the same manner as a gift and should be declined unless approved by your Head of Service and may in any event only be for charitable purposes.

Where the council makes a financial contribution to an event or community group where you, or your relative, may obtain a benefit which is more than that which is generally received by other members of the public, you should declare an interest and take no further part in the development of the event.

## 7. All gifts and hospitality offered must be registered

Whether a gift or hospitality is **accepted** or **declined**, and whether it is over or under £25 in value, it is your personal responsibility to register it, the source of the gift or hospitality and the reason for it.

You must do so within seven days of receiving or declining it.

For staff registering items, access is via Intralink - click on Systems, Gifts & Hospitality Register (within Work environments) then Logon Links (Gifts & Hospitality Register)

The public register is to be found at <http://www.portsmouth.gov.uk> then by clicking on Your Council, Information, Gifts & hospitality register

If the gift or hospitality is accepted as part of the registration your Head of Service will be required to confirm that:-

- they approve of the acceptance of the gift or hospitality and
- this protocol has been complied with

## **8. Effect of registering a gift or hospitality**

You automatically have a **personal interest** in a matter under consideration by the council if it is likely to affect a person who gave you a gift. If that is the case, you must, at the earliest opportunity, declare the existence and nature of the gift or hospitality, the person who gave it to you, how the business under consideration relates to that person and then take no further involvement in the council's consideration of the matter.

## **9. Annual report on compliance and review of policy**

The Monitoring Officer will report annually to the Standards Committee on compliance with this protocol.

The Standards Committee will review compliance with the policy annually and make recommendations to the council arising from its implementation.

Dated September 2007



## Portsmouth CITY COUNCIL

### COUNCIL MEETING

#### QUESTIONS FOR THE CABINET OR CHAIR UNDER STANDING ORDER NO 17

CITY COUNCIL MEETING – 15 OCTOBER 2013

#### QUESTION NO 1

FROM: COUNCILLOR LUKE STUBBS

TO REPLY: CABINET MEMBER FOR ENVIRONMENT & COMMUNITY  
SAFETY  
COUNCILLOR ELEANOR SCOTT

What, if anything, can you do to control the urban fox population?

#### QUESTION NO 2

FROM: COUNCILLOR JOHN FERRETT

TO REPLY: LEADER OF THE COUNCIL  
COUNCILLOR GERALD VERNON-JACKSON

What response has the Council Leader received to the letter he wrote to the Prime Minister and the Deputy Prime Minister following the passing of the Financial Transactions Tax motion at the July Full Council Meeting?

#### QUESTION NO 3

FROM: COUNCILLOR AIDEN GRAY

TO REPLY: CABINET MEMBER FOR TRAFFIC & TRANSPORTATION  
COUNCILLOR JASON FAZACKARLEY

Could the cabinet member update us on, the still not published details of the consultation, carried out last year, on the future of residents parking in the city. When this is going to happen and what recommendations are the administration going to make?

**QUESTION NO 4**

FROM: COUNCILLOR STEVE WEMYSS

TO REPLY: LEADER OF THE COUNCIL  
COUNCILLOR GERALD VERNON-JACKSON

Are you, either as an individual or collectively as an Administration, considering a compulsory purchase of South Parade Pier by the City Council?

**QUESTION NO 5**

FROM: COUNCILLOR KEN FERRETT

TO REPLY: LEADER OF THE COUNCIL  
COUNCILLOR GERALD VERNON-JACKSON

Can the Leader explain who was right about this year's GCSE results in the city. Himself, who called the results 'disappointing', or his Cabinet Member for Education who claimed they showed we were 'sustaining progress'?

**QUESTION NO 6**

FROM: COUNCILLOR LUKE STUBBS

TO REPLY: CABINET MEMBER FOR TRAFFIC & TRANSPORTATION  
COUNCILLOR JASON FAZACKARLEY

How much did the residents' parking review cost?

**QUESTION NO 7**

FROM: COUNCILLOR STEVE WEMYSS

TO REPLY: LEADER OF THE COUNCIL  
COUNCILLOR GERALD VERNON-JACKSON

Will you provide to each member of the council details of the money raised by the council from Section 106 and C.I.L. contributions from developments within their ward over the last 8 years?