

Portsmouth City Council

A MEETING OF THE COUNCIL will be held at the Council Chamber - The Guildhall on Tuesday, 14 October 2014 at 2.05 pm (or immediately following the conclusion of the Extraordinary Council meeting if later) and all members of the council are hereby summoned to attend to consider and resolve upon the following business:-

Agenda

- 1 **Members' Interests**
- 2 **To approve as a correct record the Minutes of (Pages 1 - 18)**
To approve as a correct record the Minutes of
 - the Extraordinary Meeting of the Council held on 15 July 2014 and
 - the Ordinary Meeting of the Council held on 15 July 2014
- 3 **To receive such communications as the Lord Mayor may desire to lay before the Council, including apologies for absence.**
- 4 **Deputations from the Public under Standing Order No 24 for all items excluding those in respect of item 6 which is dealt with separately on the agenda.**
- 5 **Questions from the Public under Standing Order 25.**
- 6 **Petition - To consider the following petition**

Southsea Parking Zone

"We, the undersigned, petition Portsmouth City Council to call on Councillor Ken Ellcome, the Conservative Cabinet Member for Traffic and Transportation, to reconsider the decisions he made at a meeting on Thursday July 25th 2014 where he ignored the wishes of Southsea residents; who told the City Council they want a residents' parking zone.

Therefore, we ask the City Council to urge Councillor Ellcome and the Conservative Administration to reinstate MB and MC residents' parking zones and continue the residents' parking process in the five Southsea areas surveyed in spring 2014".

The Council's rules state that as the petition contains more than 1000 signatures it will be debated by the Full Council (if the lead petitioner so request and they do) even if the issue has been considered by the Council

within the last 24 months, which it has.

1. The petition organiser, Ms S Horton, will be given six minutes in total to present the petition at the meeting.
2. Followed by any public deputations received on this item (Standing Order 24 rules apply).
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 itself precluded from determining parking matters, although of course the petition can still be debated at the Full Council meeting.

7 Appointments - Membership and Chairmanship

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

9 Treasury Management Outturn 2013/14 - Cabinet - 25 September
(Pages 19 - 42)

To receive and consider the attached report and below recommendations of the Cabinet held on 25 September (minute 79 refers).

RECOMMENDED 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 10.3%;
- (b) The actual ratio of HRA financing costs to the HRA net revenue stream of 12.2%;
- (c) Actual non HRA capital expenditure for 2013/14 of £61,687,000;
- (d) Actual HRA capital expenditure for 2013/14 of £30,110,000;
- (e) The actual non HRA capital financing requirement as at 31 March 2014 of £267,848,000;
- (f) The actual HRA capital financing requirement as at 31 March 2014 of £143,557,000;
- (g) Actual external debt as at 31 March 2014 was £441,970,134 compared with £450,283,442 at 31 March 2013.

Appendix B - That the following actual Treasury Management indicators for 2013/14 be noted:

- (a) The council's gross debt less investments at 31 March 2014 was

£145,209,000;

(b) The maturity structure of the council's borrowing was:

	Under 1 Year	1-2 Years	3-5 Years	6-10 Years	11-20 Years	21-30 Years	31-50 Years	41-50 Years
Actual	4%	1%	3%	5%	9%	13%	16%	49%

(c) The Council's sums invested for periods longer than 364 days at 31 March 2014 were:

	Actual £m
31/3/2014	108
31/3/2015	66
31/3/2016	51

(d) The council's fixed interest rate exposure at 31 March 2014 was £247m, i.e. the Council had net fixed interest rate borrowing of £247m

(e) The council's variable interest rate exposure at 31 March 2014 was (£189m), i.e. the council had net variable interest rate investments of £189m.

10 Budget and Performance Monitoring 2014/15 First Quarter - Cabinet - 25 September (Pages 43 - 78)

To receive and consider the attached report and below recommendations of the Cabinet held on 25 September (minute 82 refers).

RECOMMENDED that:

- 1. The contents of this report be noted, in particular the overall forecast overspend of £3,073,600 representing a variance of 1.76% against the City Council Budget (as adjusted) of £175,029,925.**
- 2. Reports are prepared setting out the options for significantly reducing or eliminating the adverse budget position presently being forecast within Children & Education, Health & Social Care and Traffic & Transportation Portfolios, including the associated impact of doing so.**
- 3. That the Council Leader works with the relevant portfolio holder to consider measures necessary to significantly reduce or eliminate the adverse budget position presently being forecast within Children & Education, Health & Social Care and Traffic & Transportation Portfolios and any necessary decisions presented to a future meeting of the relevant portfolio.**

11 Review of Polling Districts and Polling Places - recommendation from Governance, Audit and Standards Committee 26 September (Pages 79 - 100)

To receive and consider the attached report and below recommendation of the Governance & Audit & Standards Committee held on 26 September (minute 55 refers).

RESOLVED that the committee recommends to council that the changes recommended in paragraphs 5.2 to 5.11 of the attached report are approved and implemented on publication of the 2015 Register of Electors.

12 Notice of Motion f from the Council Meeting held on 15 July 2014 - recommendation from Governance, Audit and Standards Committee 26 September (minute 50 refers). (Pages 101 - 102)

To consider the attached appendix regarding the breakdown of costs and the below recommendation of the Governance & Audit & Standards Committee arising from the Council referral to it.

At its meeting on 15 July, Council requested that the Governance and Audit and Standards Committee instruct officers to prepare a detailed breakdown of the full costs of the affair and write to all members with this information and to write to the former member requesting that he might choose to repay this sum and to consider legal action to reclaim these costs if he refuses.

The Governance and Audit and Standards Committee at its meeting held on 26 September 2014

RESOLVED to recommend to Council that the specific amount to be sought from the former member be agreed by full council at its October meeting as outlined in the city solicitor's detailed costs breakdown to be circulated to all members with the papers for the Council meeting.

13 Notices of Motion

(a) Living Wage

Proposed by Councillor Hugh Mason
Seconded by Councillor Darren Sanders

Council believes the Living Wage is not only morally right for working people on low incomes, but makes good business sense too.

As such, Council asks the Employment Committee, to reaffirm its commitment to implementing the Living Wage for staff in November.

Council also asks the Employment Committee to support the proactive approach of councils like Southampton in getting school staff to adopt the Living Wage.

It asks the Committee to ask the Officers to adopt the same

approach here to ensure more people on low incomes can get real help with their cost of living.

(b) Keeping Milton Green

Proposed by Councillor Gerald Vernon-Jackson
Seconded by Councillor Lynne Stagg

Council notes that, in June 2014, the NHS informed the Council that it had decided to sell most of the St James' Hospital site for housing.

Council notes that the 2000 Planning Inspector judgement on an application for up to 200 homes on the site supported the principle of housing there.

Council also notes that the 2006 Local Plan said no residential buildings can be built unless it can be proved that the highway network can accommodate the additional traffic they will bring. Council also notes the view of the Hampshire and Isle of Wight Wildlife Trust that it would be premature to allocate these sites for housing as the impact on Brent Geese is not certain.

Council believes the 480 homes proposed for St James' and Langstone Campus are too many. It also accepts that our city has many long-term health and social care needs that need addressing.

On that basis, Council asks the Cabinet to explore the following ideas for the St James' and Langstone sites positively:

1. Continue to protect all previously protected green space by removing any inclusion of it from the final Site Allocations Document, in particular the idea of a 'land swap' at Langstone Campus that would negatively affect wildlife;
2. Ensuring a presumption against an unsustainable level of development on the site, especially given the 2006 planning policy restriction on traffic;
3. Making a formal offer, either alone or with partners, for the Harbour School site using money that will have to be spent anyway relocating it to Cosham;
4. Using the Harbour School land for an educational facility, a place that can help deal with our city's sadly increasing number of people with dementia or other healthcare or educational uses consistent with the 2006 Plan;
5. That the 58 homes the 2013 Site Allocations proposals earmarked for the Harbour School site are delivered through the redevelopment of existing buildings elsewhere on the site.

(c) Proposed by Councillor Matthew Winnington

Seconded by Councillor Lynne Stagg

This Council believes that while many ordinary people in Portsmouth face falling household income and rising costs of living, some multinational companies are avoiding billions of pounds of tax from a tax system that fails to make them pay their fair share. Local governments in developing countries and the UK alike would benefit from a fairer tax system where multinational companies pay their fair share, enabling authorities alike around the world, including Portsmouth City Council, to provide quality public services. The UK government must listen to the strength of public feeling in this city and beyond and lead the way to end the injustice of tax avoidance by large multinational companies in developing countries and the UK. Therefore we call upon the Council to work together to put pressure on the government on behalf of the people in this city to create here and promote abroad tax systems whereby multinational companies who make a lot of money from the UK, including here in Portsmouth, and developing countries also pay back to them a fair share of tax.

(d) Workfare

Proposed by Councillor John Ferrett
Seconded by Councillor Aiden Gray

This Council is concerned how workfare schemes will impact upon the people in Portsmouth

This council believes that work should pay and therefore opposes the introduction of schemes which force job seekers into unpaid work or face losing their benefits - schemes known popularly as workfare.

This council is concerned that there appears to be no evidence workfare assists job seekers in finding work and in fact working a 30-hour week makes that more difficult; that workfare is replacing paid work; and that workfare stigmatises benefits claimants and locks them further into poverty.

(e) Puppy and Kitten Farming

Proposed by Councillor Michael Andrewes
Seconded by Councillor Darren Sanders

The council notes:

- The people of Portsmouth are greatly concerned that there should be high standards for animal welfare
- The campaign “where’s mum” by Pup Aid and the campaign against “battery farmed dogs” by the Dogs Trust and other animal welfare charities to improve the conditions for puppies and kittens and put an end to puppy and kitten farming
- Such “dog and cat farming” conditions are cruel for the puppies and kittens involved and often lead to further problems later in

their lives and it shortens their lives. That a recent parliamentary debate was told that puppies from puppy farms are “very often separated from their mothers before the puppy is even four weeks old, usually unvaccinated and insufficiently socialised, and sent long distances across the country, and increasingly across the continent, before being sold.”

- That the Dogs Trust notes that breeding bitches at battery farms:
 - Are kept in small pens without natural daylight or contact with other dogs
 - Suffer the mental cruelty of having little contact with people and having no space to exercise or opportunity to play
 - Are bred from continuously in these conditions until they are too old, then discarded
- Though 95% of the British public would never buy from a puppy farmer as many as 900,000 have done so without knowing in any single calendar year.
- DEFRA's own guidance to the public is to "always see the puppy with its mother" and that continuing to allow the sale of puppies by pet shops makes this impossible and contradicts national guidelines.
- The large majority of individual dog and cat breeders in Portsmouth and elsewhere are responsible and work hard to improve animal welfare.
- The good work done by its Environmental Health department to license dog breeders and pet shops in Portsmouth.
- That in January 2014, DEFRA along with the RSPCA, the Dogs Trust and many other charities and organisations, produced some model licence conditions that were made available to all local authorities and were published by the Chartered Institute of Environmental Health. These included 50 pages of recommendations about the sorts of conditions that should be included in a licence for dog-breeding premises. There were strict provisions on the need for social interaction with humans, which should apply for the whole day if the buyers were present all the time.
- That the Government is already empowered to bring forward secondary legislation under the Animal Welfare Act 2006 and such secondary legislation could be introduced to prohibit the licensing of pet shops or retail outlets to sell puppies or kittens where the mother is not present.

Portsmouth City Council ask the Licensing Committee and Cabinet where appropriate to:

- Commit to stamping out of the practice of puppy farming in Portsmouth.
- Highlight in its publications such as Flagship and on its website the steps that people can take to improve welfare for puppies and kittens and highlight the steps that people can take to inadvertently avoid buying puppies and kittens that might come from dog farms, particularly in the run-up to Christmas and that people consider getting a pet from a rescue organisation.

- Require the council's Environmental Health department to work with DEFRA and animal welfare charities to update its licensing conditions for dog and cat breeding and pet shops and report back to the Licensing Committee in 6 months. Particularly as regards:
 - The model licensing condition in the CIEH model licence documentation for dog breeders
 - That Portsmouth City Council does not allow pet shops to sell puppies and kittens.
 - Good practice in other councils
- Require the Chief Executive to write to the Secretary of State for Environment, Food and Rural Affairs telling him that Portsmouth City Council has passed this motion and urging the Government to take steps to ban the sale of puppies and kittens in pet shops and takes further steps to outlaw puppy farming through secondary legislation.
- Require the Chief Executive copies that letter to the MPs for Portsmouth urging them to support such secondary legislation and the campaign to end puppy farming.
- And that it works in a co-ordinated fashion with other local councils in Hampshire and West Sussex on this issue and urges them to pass similar motions.

14 Questions from Members under Standing Order No 17. (Pages 103 - 106)

David Williams
Chief Executive

Members of the public are now permitted to use both audio visual recording devices and social media during this meeting, on the understanding that it neither disrupts the meeting or records those stating explicitly that they do not wish to be recorded. Guidance on the use of devices at meetings open to the public is available on the Council's website and posters on the wall of the meeting's venue.

Full Council meetings are digitally recorded, audio only.

Civic Offices
Guildhall Square
PORTSMOUTH
6 October 2014

MINUTES OF AN EXTRAORDINARY MEETING OF THE COUNCIL held at the Guildhall, Portsmouth on Tuesday 15 July 2014 at 2.00 pm.

Council Members Present

The Right Worshipful The Lord Mayor
Councillor Steven Wylie (In the Chair)

Councillors

Adair, Margaret	Mason, Hugh
Andrewes, Michael	Mason, Lee
Bosher, Simon	New, Robert
Denny, Alicia	Potter, Stuart
Dowling, Ben	Purvis, Will
Ellcome, Ken	Sanders, Darren
Ferrett, John	Scott, Eleanor
Ferrett, Ken	Stagg, Lynne
Fuller, David	Stevens, Les
Galloway, Colin	Stockdale, Sandra
Godier, Paul	Stubbs, Luke
Gray, Aiden	Swan, Julie
Hall, Terry	Symes, Linda
Hastings, Steve	Thompson, Alistair
Hockaday, Hannah	Vernon-Jackson, Gerald
Horne, David	Wemyss, Steve
Hunt, Lee	Winnington, Matthew
Jonas, Frank	Wood, Rob
Jones, Donna	Young, Neill
Madden, Leo	

61 Apologies for Absence

Apologies for absence were received from Councillor Margaret Foster.

62 Deputations under Standing Order 24

The City Solicitor advised that there are two deputations in respect of agenda item 3 and two deputations in respect of agenda item 4. Dr Alan Burnett, of Portsmouth Pensioners' Association made a deputation in support of the proposal to confer the title of honorary alderman on two recent former members of the city council - Mr Jim Patey and Mr Mike Park.

Mr Steve Bonner, vice-chair of Portsmouth Pensioners' Association made his deputation again in support of the proposal to confer the title of honorary alderman on Mr Jim Patey and Mr Mike Park.

63 Admission to the Roll of Honorary Aldermen - Mr Jim Patey

The Lord Mayor advised that the motion to admit Mr Jim Patey as an

honorary alderman, the motion will need to be passed by not less than two thirds of the members voting.

It was

Proposed by Councillor John Ferrett
Seconded by Councillor David Horne

That the title of honorary alderman be conferred on Mr Jim Patey, a former member of the Portsmouth City Council.

RESOLVED unanimously that the title of honorary alderman be conferred on Mr Jim Patey and that a certificate confirming this decision be presented to him at a future city council meeting.

64 Admission to the Roll of Honorary Aldermen - Mr Mike Park

It was

Proposed by Councillor Steve Wemyss
Seconded by Councillor Donna Jones

That the title of honorary alderman be conferred on Mr Mike Park, a former Portsmouth city councillor.

RESOLVED unanimously that the title of honorary alderman be conferred on Mr Mike Park and that a certificate confirming this decision be presented to him at a future city council meeting.

The extraordinary meeting then concluded.

Lord Mayor

MINUTES OF A MEETING OF THE COUNCIL held at the Guildhall,
Portsmouth on Tuesday 15 July 2014 at 2.30 pm.

Council Members Present

The Right Worshipful The Lord Mayor
Councillor Steven Wylie (In the Chair)

Councillors

Adair, Margaret	Mason, Hugh
Andrewes, Michael	Mason, Lee
Bosher, Simon	New, Robert
Denny, Alicia	Potter, Stuart
Dowling, Ben	Purvis, Will
Ellcome, Ken	Sanders, Darren
Ferrett, John	Scott, Eleanor
Ferrett, Ken	Stagg, Lynne
Fuller, David	Stevens, Les
Galloway, Colin	Stockdale, Sandra
Godier, Paul	Stubbs, Luke
Gray, Aiden	Swan, Julie
Hall, Terry	Symes, Linda
Hastings, Steve	Thompson, Alistair
Hockaday, Hannah	Vernon-Jackson, Gerald
Horne, David	Wemyss, Steve
Hunt, Lee	Winnington, Matthew
Jonas, Frank	Wood, Rob
Jones, Donna	Young, Neill
Madden, Leo	

65 Declarations of Interests under Standing Order 13(2)(b)

Councillor Ben Dowling declared a pecuniary interest in notice of motion (d) as he is a director of a company involved in the procurement process and will leave the chamber for that item and deputations relating to it.

Councillor Les Stevens declared an interest in notice of motion (f) and would leave the chamber for that item.

Councillor Alistair Thompson declared an interest in items 8 - Hampshire Community Bank and item 13 (b) as the company he works for has been involved as part of a think tank concerning working with new banking models, including a report launched by the Archbishop of Canterbury. Councillor Thompson advised that he would withdraw from the chamber for these items.

Councillor Hugh Mason declared a non-prejudicial interest in items 8 - Hampshire Community Bank and notice of motion 13(b) as he is a director of Hampshire Credit Union and is a senior layman of the Church of England referred to in notice of motion 13(b).

Councillor Michael Andrewes declared a pecuniary interest in notices of motion (e) and (f) as he is employed by Mike Hancock's office and said he would leave the Chamber whilst these items were considered.

Councillor Gerald Vernon-Jackson declared a non-prejudicial interest in item 8 - Hampshire Community Bank as he is a member of the Hampshire Credit Union.

Councillor Rob Wood declared a non-prejudicial interest in agenda item 14 - Forward Plan Omission re the Camber as he lives nearby. He also declared an interest during debate on item 13 (d) as Motiv8 was referred to as taking part in the procurement exercise and he has a relative who works at Motiv8. He withdrew from the Chamber for the remainder of the debate on that item.

66 Minutes of the Annual Meeting and the Adjourned Meeting of the Council held on 3 June 2014

These were

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

RESOLVED that the minutes of the annual meeting and the adjourned meeting of the council held on 3 June 2014 be confirmed and signed as a correct record.

67 Communications

The Lord Mayor invited the Leader of the Council, Councillor Donna Jones to speak first. The Leader formally congratulated and welcomed the new Minister for Portsmouth, Matthew Hancock MP and also congratulated Penny Mordaunt MP on her new role as Parliamentary Undersecretary of State for Communities and Local Government. The Leader confirmed she had drafted letters of thanks for the work done by Michael Fallon MP whilst he was Minister for Portsmouth and had also sent letters of congratulation to Penny Mordaunt MP and Matthew Hancock MP following the reshuffle announced by the Prime Minister. The Leader also undertook to write a letter of thanks to Vince Cable, Secretary of State for Business. The Lord Mayor also added his congratulations.

The Lord Mayor advised that he had received letters from HRH The Princess Royal and Vice Admiral Tim Lawrence concerning events on the anniversary of D-Day expressing their warm thanks to all concerned and asked that their comments be formally recorded. The Lord Mayor said he had received many favourable comments about the D-Day commemorative events including from the Normandy Fellowship who had written to express their thanks as well as from members of the public. The Lord Mayor mentioned in particular Matthew Gummer MBE, one of the D-Day veterans, who had said he was very proud to have participated in D-Day and was very proud of the city.

The Leader of the Council advised that she had written on behalf of the council to thank David Evans and the Events Team for all their work and also put on record thanks to the military for their participation.

The Lord Mayor said there would be an event later in the year to thank everyone for their work in making the day such a success.

The Lord Mayor also wished every success to Portsmouth's bid to become England's City of Football. He said that the council is working with the football club, the local football association, the university, RN and community groups to further develop the bid. Portsmouth had fought off competition from 22 cities and was one of the three cities shortlisted - the others being Nottingham and Manchester. The winner would receive National Lottery funding to run a two year pilot programme designed to encourage more people to play football regularly.

68 Deputations from the Public under Standing Order No 24

The City Solicitor advised council of the deputations received. A written deputation had been received from Soraya Williams concerning notice of motion 13(d). Mr Nassar Kessell, Ms Harris and Mr Steve McDermott all made deputations concerning notice of motion 13(d).

Mr John Thompson made a deputation in respect of notice of motion 13(e).

69 Questions from the Public under Standing Order No 25

There were no questions from the public.

70 Appointments

That appointments as circulated at the council meeting were proposed and seconded and were agreed.

RESOLVED that

- (1) Licensing Committee - Councillor Colin Galloway (UKIP) be appointed as a standing deputy;**
- (2) Planning Committee - Councillors Julie Swan (UKIP), Stuart Potter (UKIP) and Paul Godier (UKIP) be appointed as standing deputies;**
- (3) Scrutiny Management Panel - Councillor Steven Hastings (UKIP), Councillor Colin Galloway (UKIP) be appointed as standing deputies;**
- (4) Governance & Audit & Standards Committee - Councillor Alistair Thompson (Conservative), Councillor Julie Swan (UKIP) and Councillor Steven Hastings (UKIP) be appointed as standing deputies;**

- (5) **Health Overview & Scrutiny Panel - Councillor Lee Mason (Conservative) be removed as a standing deputy owing to his being a Cabinet Member;**
- (6) **Twinning Advisory Group - the appointment of Councillor Colin Galloway (UKIP), Paul Godier (UKIP), Councillor Lynne Stagg (Liberal Democrat) and Councillor Terry Hall (Liberal Democrat) be agreed;**
- (7) **Health & Wellbeing Board - Council note the appointment of Councillor John Ferrett (Labour) and Councillor Gerald Vernon-Jackson (Liberal Democrat) as full members of the board.**

71 Urgent Business under Standing Order No 26

There was no urgent business.

72 Cabinet Recommendations from its meeting on 10 July 2014 - Hampshire Community Bank

The following minute was opposed:-

Minute 67 - Hampshire Community Bank

It was

Proposed by Councillor Luke Stubbs

Seconded by Councillor Hugh Mason

That the recommendations contained in the report by Chris Ward, Head of Financial Services & Section 151 Officer, the Hampshire Community Bank, be agreed.

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

RESOLVED that the recommendation set out in paragraph 2 of the report be agreed.

73 Governance & Audit & Standards Committee Recommendations from its meeting on 27 June 2014

The following minutes were approved unopposed:-

Minute 38 - Notice of Motion Referral re Arrangements for Assessment, Investigation and Determination of a Complaint that a Member has failed to Comply with the Members' Code of Conduct

Minute 39 - Filming, photographing and recording of public meetings of the Council

74 Scrutiny Management Panel Recommendation from its meeting on 4 July 2014

The following minute was opposed:-

Minute 12 - Scrutiny Report

It was

Proposed by Councillor Alistair Thompson
Seconded by Councillor Simon Boshier

That the recommendations contained in the scrutiny report be agreed.

Councillor Andrewes explained that he was not proposing an amendment to the recommendations but wished to highlight the hard work put in by those members on scrutiny panels and to note how well members of all groups worked together. He also wished to record thanks to the Democratic Services team for their work in supporting the scrutiny panels. He said he hoped the recommendations from the reviews would not just be noted, but would be revisited from time to time to check on progress being made. Councillor Thompson said he completely agreed with these comments.

Upon being put to the vote the recommendations from the Scrutiny Management Panel were CARRIED.

RESOLVED that

- (1) The report be noted and the work done by the panels be acknowledged; and**
- (2) An extra recommendation be added to the report as follows:**

"Thanks be formally recorded to all those members of the public, witnesses and officers who contributed to the reviews and to Democratic Services officers who supported the panels."

75 Review of Certain Special Responsibility Allowances for Members

It was

Proposed by Councillor Donna Jones
Seconded by Councillor John Ferrett

That the recommendations set out in the report from the Chief Executive be adopted.

Upon being put to the vote, this was CARRIED.

RESOLVED that in accordance with the wishes of the Council Leader, the Council revert to the pre- remuneration panel multiple rates that

were increased for the Council Leader, Cabinet Members and Regulatory Chairs, so that with effect from 1 August 2014,

- 1. The Council Leader receives a reduced multiple of 1.8 of the basic, giving a revised SRA for that position, which at the current basic rate equates to £18,544**
- 2. Cabinet members receive a reduced multiple of 0.7 of the basic, giving a revised SRA for that position, which at the current basic rate equates to £7,211**
- 3. Regulatory Chairs receive a reduced multiple of 0.35 of the basic, giving a revised SRA for that position, which at the current basic rate equates to £3,606**

The Members allowance scheme be amended accordingly to reflect these changes.

76 Notices of Motion

Notice of Motion (a) - Armed Forces Compensation Scheme

It was

Proposed by Councillor Colin Galloway
Seconded by Councillor Julie Swan

That this notice of motion be debated today.

Upon being put to the vote this was CARRIED.

It was

Proposed by Councillor Colin Galloway
Seconded by Councillor Julie Swan

That notice of motion (a) as set out on the agenda be adopted.

As an amendment to the notice of motion it was

Proposed by Councillor Lee Mason
Seconded by Councillor Aiden Gray

That the following words be added to the end of the existing notice of motion.

"The Leader of the Council is consequently requested to write to the Secretary of State for Work and Pensions with the Council's views on this issue as expressed in the motion and that the subsequent response from the Secretary of State be communicated to all Members once received".

Councillor Colin Galloway agreed to accept this amendment. Following

debate, upon the substantive notice of motion being put to the vote, this was CARRIED unanimously.

“RESOLVED that

Portsmouth City Council calls upon the Secretary of State for Work and Pensions to implement with immediate effect the full Armed Forces Compensation Scheme recommendations that War Disablement Pensions be excluded from being used as a source of Income for Benefits calculations

At present, a Veteran injured during their service in the Armed Forces, and who receives a War Disablement Pension which is intended to raise the living standard of that Veteran, can currently receive a £10 per week disregard when receiving benefits.

This Council recognises the sacrifice which Veterans have undertaken for their Country, and agrees that these Veterans should be attributed with a 100% disregard when being assessed for benefits, yet the DWP still fails to apply it.

There are Veterans in Civilian Street who through no fault of their own, by way of Physical and Mental injuries cannot work in a normal environment and thus rely on the War Disablement Pension as a source of extra income to supplement their daily life.

I believe that the War Disablement Pension should be treated in exactly the same manner as the Disability Living Allowance is currently treated:

The Leader of the Council is consequently requested to write to the Secretary of State for Work and Pensions with the Council's views on this issue as expressed in the motion and that the subsequent response from the Secretary of State be communicated to all Members once received.

Councillor Alistair Thompson requested that it be noted that this motion incorporating the amendment had been carried unanimously.

Council adjourned at 4.10 pm. Council resumed at 4.25 pm.

Notice of Motion (b) - Tackling Poverty by Reducing Dependency

It was

Proposed by Councillor Darren Sanders
Seconded by Councillor Hugh Mason

That the motion be debated today. Upon being put to the vote this was CARRIED.

It was

Proposed by Councillor Darren Sanders
Seconded by Councillor Hugh Mason

That notice of motion (b) as set out on the agenda be adopted.

As an amendment it was

Proposed by Councillor Lee Mason
Seconded by Councillor Steve Wemyss

That the notice of motion be amended as follows:-

Replace 'Council opposes the removal of funding for this scheme from April 2015' with 'Council notes the removal of a separate funding stream for this scheme from April 2015.'

Delete from 'As such, it asks the administration to deliver the following as part of any future strategy on this matter:' and replace with Council notes that the administration are formally establishing a policy position on future provision at a Resources Portfolio meeting this Thursday.

In advance of that decision, Full Council endorses in principle:

1. the council are grateful for the work carried out by EC Roberts Centre and strongly support their lottery bid to further it. The Council supports the provision of £90 000 to the EC Roberts Centre, which if matched by lottery funding will support the purchase of white goods for vulnerable people (subject to need)
2. the council support credit unions both in principle and the good work they do in Portsmouth and support the authority's work in referring people to the Credit Union. It also welcomes the Jam Jar accounts project being piloted by the EC Roberts Centre.
3. the research the authority intends to take into the affordability of a social supermarket Council requests the portfolio holder for Resources keep members of the council updated on developments and that progress be reviewed through an information paper later in the year.

As an amendment it was

Proposed by Councillor John Ferrett
Seconded by Councillor Aiden Gray

That the notice of motion be amended as follows:

Following 'Council opposes the removal of funding for this scheme from April 2015' insert the following:

'Furthermore, Council condemns the Coalition government for pursuing a

deliberate strategy of financially penalising the poorest members of our community, not least through the introduction of the bedroom tax and the removal of council tax benefit.'

During debate it was

Proposed by Councillor Simon Boshier
Seconded by Councillor Linda Symes

That standing orders be suspended for this item only in order to allow slight alterations to the wording of the amendment standing in the name of Councillor Lee Mason which was to amend the word 'notes' to 'regrets' and to insert the word 'Government' before 'funding'. Upon being put to the vote this was CARRIED.

Upon being put to the vote the amendment standing in the name of Councillor John Ferrett was LOST.

Upon being put to the vote the amendment standing in the name of Councillor Lee Mason (including the slight alteration to the wording from the word 'notes' to 'regrets' and the insertion of the word 'government' before 'funding') was CARRIED. Upon the substantive notice of motion being put to the vote this was CARRIED.

RESOLVED that

Council welcomes the fact that the Local Welfare Assistance Scheme - the scheme that gives money to some of the most vulnerable people in society - has been overseen by local councils across the country, rather than the DWP.

Council regrets the removal of a separate government funding stream for this scheme from April 2015.

Council welcomes the work already done by officers on a replacement. It believes such a replacement should be brought in for at least no more cost than now.

Council also recognises that many people in our city are forced to use payday loan and similar companies, such as Wonga and Provident. It believes this is wrong and applauds the work done so far to mitigate it.

Council endorses the desire of the Church of England to put these firms out of business:

Council notes that the administration are formally establishing a policy position on future provision at a Resources Portfolio meeting this Thursday.

In advance of that decision, Full Council endorses in principle:

1. **the council are grateful for the work carried out by EC Roberts Centre and strongly support their lottery bid to further it. The Council supports the provision of £90 000 to the EC Roberts Centre, which if matched by lottery funding will support the purchase of white goods for vulnerable people (subject to need)**
2. **the council support credit unions both in principle and the good work they do in Portsmouth and support the authority's work in referring people to the Credit Union. It also welcomes the Jam Jar accounts project being piloted by the EC Roberts Centre.**
3. **the research the authority intends to take into the affordability of a social supermarket Council requests the portfolio holder for Resources keep members of the council updated on developments and that progress be reviewed through an information paper later in the year.**

Notice of Motion (c) - Banning of Legal Highs

It was

Proposed by Councillor Paul Godier
Seconded by Councillor Hannah Hockaday

That this notice of motion be debated today. Upon being put to the vote this was CARRIED.

It was

Proposed by Councillor Paul Godier
Seconded by Councillor Hannah Hockaday

That notice of motion (c) as set out on the agenda be adopted.

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

RESOLVED that the Leader of the Council writes to the relevant Government Minister requesting that more be done around the regulation or banning of legal highs with the aim of seeking to reduce the risk of injury or death to those persons involved in this activity, including people residing in Cities such as Portsmouth.

Notice of Motion (d) - Youth Parliament

It was

Proposed by Councillor John Ferrett
Seconded by Councillor Neill Young

That this notice of motion be debated today. Upon being put to the vote this was CARRIED.

It was

Proposed by Councillor John Ferrett
Seconded by Councillor Neill Young

That the notice of motion as set out on the agenda be adopted.

As an amendment to the notice of motion it was

Proposed by Councillor Donna Jones
Seconded by Councillor Alistair Thompson

To delete the following:

The council notes the damaging effects of political coercion particularly amongst young people. The council wishes to indicate that close political relationships with Looked After Children, through Associations such as the Youth Parliament are not advised or encouraged.

Councillor John Ferrett (as the original mover of the motion) agreed to accept this amendment which therefore became the substantive motion.

During debate Councillor Will Purvis read out a short statement from Stephanie Nottage on this item.

During debate before Council it was

Proposed by Councillor Gerald Vernon-Jackson
Seconded by Councillor Leo Madden

That standing orders be suspended to allow an opportunity to put a question to the Strategic Director for Adult and Children's Services concerning what had happened at one of the informal Cabinet meetings held by the previous administration in relation to a contract. Upon being put to the vote this was LOST.

Upon the substantive motion (incorporating the amendment from Councillor Jones) being put to the vote this was CARRIED.

RESOLVED that this Council welcomes the decision of the new administration to halt the process of out-sourcing the City's Youth Parliament. The council will in the future take all reasonable measures to ensure that the political independence of the Youth Parliament is not compromised. This will include retaining the Youth Parliament 'in-house' if that is felt to be the best way to encourage and promote participation amongst young people in our city.

Notice of Motion (e) - City's Safeguarding Procedure

It was

Proposed by Councillor John Ferrett
Seconded by Councillor Luke Stubbs

That this notice of motion be debated today. Upon being put to the vote this was CARRIED.

It was

Proposed by Councillor John Ferrett
Seconded by Councillor Luke Stubbs

That the notice of motion as set out on the agenda be adopted.

As an amendment to the notice of motion

It was

Proposed by Councillor Hugh Mason
Seconded by Councillor Darren Sanders

That the words 'and the two Liberal Democrat members of the investigation sub-committee who sat on the case of a vulnerable resident' be deleted from the second paragraph.

As an amendment it was

Proposed by Councillor Gerald Vernon-Jackson
Seconded by Councillor Leo Madden

That after the word 'constituent' in the last line of the second paragraph, please add 'in particular how to improve transparency by having the initial sifting of such complaints done by the City Solicitor, in consultation with independent members of the committee'.

Following debate, upon being to the vote the amendment standing in the name of Councillor Hugh Mason was LOST.

Upon being put to the vote the amendment standing in the name of Councillor Gerald Vernon-Jackson was LOST.

Upon the original notice of motion as set out on the agenda being put to the vote, this was CARRIED.

RESOLVED that in the light of recent events surrounding former councillor Mike Hancock, whilst an elected individual of this authority, the Council believes that an urgent review of the city's Safeguarding Procedure should take place to ensure that it is robust enough to protect the public. Members of the public have a right to feel safe when in contact with any elected member of this council.

A citizen of Portsmouth was let down by a former member of this council through his inappropriate actions; the previous Leader of this council for his lack of appropriate actions; and the two liberal democrat members of the investigation sub-committee who sat on the case of a vulnerable resident regards former Cllr M Hancock. This council requests in respect of members facing serious allegations, that the Monitoring Officer prepare a report for the Governance and Audit and Standards committee on how the council's current Safeguarding Procedure should be used to best protect the public and members when a complaint is made by a vulnerable constituent.

Notice of Motion (f) - Request for Governance & Audit & Standards Committee to take action in respect of a complaint against a former Councillor

It was

Proposed by Councillor Alistair Thompson
Seconded by Councillor John Ferrett

That the notice of motion be debated today. On being put to the vote this was CARRIED.

It was

Proposed by Councillor Alistair Thompson
Seconded by Councillor John Ferrett

That notice of motion (f) as set out on the agenda be adopted.

As an amendment to the notice of motion it was

Proposed by Councillor Simon Boshier
Seconded by Councillor Steve Wemyss

That the notice of motion be amended as follows:

Delete from the second sentence in the first paragraph the word "sexual" to read (first paragraph only): The City Council is concerned at the conduct of one its former members' who has admitted to abusing his position of trust. He has admitted to harassing a resident, making repeated unwanted advances and conduct that falls below the standards expected of a Parliamentarian or a member of this Council.

Councillor Thompson accepted the amendment which then became the substantive motion for debate.

As an amendment it was

Proposed by Councillor Leo Madden
Seconded by Councillor Hugh Mason

To insert as new points 5. and 6. underneath point 4.

"5. Apply the principles of points 3 and 4 to all former councillors either found guilty of or who admitted to a serious breach of the code of conduct and whose cases incurred costs to PCC.

6. Write to the Ministry of Justice to ask for a change in the law so that any elected official in the UK charged or cautioned with an indictable criminal offence should be suspended."

Upon the amendment standing in the name of Councillor Madden being put to the vote, this was LOST.

Upon the substantive motion incorporating Councillor Boshers amendment being put to the vote this was CARRIED.

RESOLVED that the City Council is concerned at the conduct of one its former members who has admitted to abusing his position of trust. He has admitted to harassing a resident, making repeated unwanted advances and conduct that falls below the standards expected of a Parliamentarian or a member of this Council.

Over the last four years the Council has spent tens of thousands of pounds investigating this matter, both through court and legal fees and officer time - This at a time when the Council is faced with making cuts to front line services.

The Council believes that this is an unsatisfactory situation.

The Council therefore requests the Governance and Audit and Standards Committee to do the following:

- 1. Instruct officers to prepare a detailed breakdown of the full costs of this affair**
- 2. To write to all members with this information**
- 3. To write to the former member requesting that given this unnecessary burden on the taxpayers of Portsmouth that now he has admitted to these appalling actions he might chose to repay this sum and thus ease the financial burden on residents**
- 4. To consider legal action to reclaim these costs if he refuses.**

Notice of Motion (g) - Request for the Cabinet to reverse its decision to abandon the pilot crackdown to be run by 3GS on dog mess and littering

It was

Proposed by Councillor Darren Sanders
Seconded by Councillor Lynne Stagg

That this notice of motion be debated today. Upon being put to the vote, this was LOST.

The Leader of the Council, Councillor Donna Jones said that this matter was the subject of a call-in and so would be debated at the Scrutiny Management Panel on 25 July 2014 with the effect that there was no need for further discussion by Council.

Council adjourned at 9.05 pm. Council resumed at 9.20 pm.

**77 Forward Plan omission
Report - The Camber - East Street and Broad Street, Old Portsmouth**

RESOLVED that council noted in accordance with the constitution that due to the urgent decision that needed to be taken at the meeting of the Cabinet Member for Planning, Regeneration & Economic Development on 13 June 2014, it was not possible to include the item within the normal forward plan process and usual omission procedure therefore had to be followed.

78 Questions from Members under Standing Order No 17

There were seven questions before council.

Question number 1 from Councillor Alistair Thompson "Would the leader please update the Council on the progress made in setting up an inquiry into the alleged bullying culture that has existed at PCC?" was withdrawn on the understanding that the Leader would advise members in writing of the timetable.

Question number 2 was from Councillor Steve Wemyss to the Leader of the Council, Councillor Donna Jones asking "In Human Resource terms is bullying regarded as that which is perceived by the victim and not the perpetrator?".

This and supplementary questions were answered by the Leader of the Council, Councillor Donna Jones.

Question number 3 was from Councillor Terry Hall to the Leader of the Council, Councillor Donna Jones asking " Given the strong political opposition expressed about the Leader of the last administration using 1/4 of one page of Flagship as a foreword, what will be the policy of the current Leader of the Council in relation to her appearance in Flagship?".

This and supplementary questions were answered by the Leader of the Council, Councillor Donna Jones.

Question number 4 was from Councillor Michael Andrewes asking "The

Conservatives said in leaflets that they would either scrap all residents parking zones or introduce them across the whole city which approach will he be adopting?.

This and supplementary questions were answered by the Cabinet Member for Traffic & Transportation, Councillor Ken Ellcome.

Question number 5 was from Councillor Matthew Winnington asking "Can the Cabinet Member please explain why he did not challenge the obviously misleading statistics from the Government that showed that a lower proportion of children from Portsmouth go to university than anywhere else in the country when it does not take account of the huge amount of hard working and successful children from Portsmouth who attend Further Education Colleges outside the city boundary?".

This and supplementary questions were answered by the Cabinet Member for Children & Education, Councillor Neill Young. Councillor Young agreed to arrange for a letter to be written to the Higher Education Statistics Authority asking that statistics be provided in future to capture the numbers of Portsmouth resident children attending further education establishments outside the city.

The Lord Mayor advised that the 45 minutes allowed for questions expired before questions 6 and 7 could be put and so in accordance with Standing Order 17(h) written replies to questions 6 and 7 would be circulated to members.

The meeting ended at 10.10 pm.

Lord Mayor

Agenda Item 9

Agenda item:

Decision maker: Cabinet
City Council

Subject: Treasury Management Outturn 2013/14

Date of decision: 25 September 2014 (Cabinet)
26 September 2014 (Governance and Audit and Standards Committee)
14 October 2014 (City Council)

Report by: Chris Ward, Head of Financial Services & Section 151 Officer

Wards affected: All

Key decision: No
Budget & policy framework decision: No

1. Purpose of report

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. 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 10.3%;
- (b) The actual ratio of HRA financing costs to the HRA net revenue stream of 12.2%;
- (c) Actual non HRA capital expenditure for 2013/14 of £61,687,000;
- (d) Actual HRA capital expenditure for 2013/14 of £30,110,000;

(e) The actual non HRA capital financing requirement as at 31 March 2014 of £267,848,000;

(f) The actual HRA capital financing requirement as at 31 March 2014 of £143,557,000;

(g) Actual external debt as at 31 March 2014 was £441,970,134 compared with £450,283,442 at 31 March 2013.

Appendix B - That the following actual Treasury Management indicators for 2013/14 be noted:

(a) The Council's gross debt less investments at 31 March 2014 was £145,209,000;

(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%	16%	49%

(c) The Council's sums invested for periods longer than 364 days at 31 March 2014 were:

	Actual £m
31/3/2014	108
31/3/2015	66
31/3/2016	51

(d) The Council's fixed interest rate exposure at 31 March 2014 was £247m, ie. the Council had net fixed interest rate borrowing of £247m

(e) The Council's variable interest rate exposure at 31 March 2014 was (£189m), ie. the Council had net variable interest rate investments of £189m

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 2013/14 on 19 March 2013.

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. Reasons for Recommendations

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.

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:

<u>Title of document</u>	Location
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 25 September 2014.

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

ACTUAL PRUDENTIAL INDICATORS

1. RATIO OF FINANCING COSTS TO NET REVENUE STREAM 2013/14

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 2013/14 were as follows:

	Original Estimate	Actual
	£'000	£'000
Financing Costs:		
Interest Payable	17,541	17,738
Interest Receivable	(1,146)	(1,659)
Provision for Repayment of Debt	8,948	3,618
Effect of financial regulations on finance leases, premiums & discounts	(664)	(662)
Total Financing Costs	24,679	19,035
Net Revenue Stream	186,054	184,415
Ratio of Financing Costs to Net Revenue Stream	13.3%	10.3%

Interest Receivable was £0.5m more than the original estimates. This was due to the interest rates on the Council's investments being higher than had been anticipated.

The provision for the repayment of debt was £5.3m less than the original estimate. This is mainly because on 3 June 2013 the City Council resolved to use City Deal grant to repay the entire principal due on the Council debts in 2013/14 and to reduce the revenue provision for the repayment of debt by the amount of principal repaid using City Deal grant. The City Deal grant from the Government is conditional on it being applied to fund capital expenditure or to repay the principal on borrowing by 30 June 2015. This will help to ensure that the 30 June 2015 deadline is achieved.

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	12.4%	12.2%

The actual percentage of HRA financing costs to net revenue stream is lower than anticipated. This is because the actual HRA Item 8 Credit consolidated interest rate, ie. the interest rate applied to surplus HRA cash, was higher than estimated.

2. ACTUAL CAPITAL EXPENDITURE 2013/14

There has been significant under spending against the original budget. This is mostly due to slippage or funding not being available. Therefore the under spend does not represent additional capital resources. Actual capital expenditure in 2013/14 was as follows:

	Estimate £'000	Actual £'000
Culture & Leisure	4,283	2,245
Children's & Education Services	19,027	9,554
Environment & Community Safety	636	812
Health & Social Care (Adults Services)	1,162	1,455
Resources	7,770	3,368
Millennium	812	(254)
Planning, Regeneration & Economic Development	2,503	1,169
Commercial Port	1,379	959
Traffic & Transportation	29,375	31,643
Housing General Fund	2,810	2,061
Local Enterprise Partnership	-	8,675
Total Non HRA	69,757	61,687
HRA	34,723	30,110
Total	104,480	91,797

Actual capital expenditure was £12.7m below the original capital programme. The main variances were as follows:

Culture & Leisure - £2.1m Underspend

This underspend is due to slippage on a number of capital schemes. The relocation of the Council's archives to Southsea Library took longer to implement than had been anticipated. The final contract payment for the Mountbatten Centre upgrade is being withheld pending the outcome of a legal dispute over responsibility for the sports hall floor. The original proposal to build 100 new beach huts has been withdrawn following public consultation and a revised scheme has yet to be prepared and approved. Expenditure on the D Day Museum has been re-profiled over 5 years.

Children's and Education Services - £9.5m Underspend

The principal reason for this underspend was the removal of £7m of unsupported borrowing from the capital programme regarding the Schools Strategy scheme (formerly Building Schools for the Future). In addition there was £1.4m of slippage on the extension and re-modelling of Goldsmith Infants School due to changes to the design, and £1.1m of slippage due to the re-profiling of expenditure on the establishment of Milton Park Primary School.

Resources - £4.4m Underspend

The principal reason for this underspend is the re-phasing £3.6m of capital investment at the Council's subsidiary company, MMD (Shipping Services) Ltd over a further two years. This also has the effect of spreading the planned capital advances to MMD by the Council over a longer period. In addition, the contingency provision built into the landlord's maintenance budget was not required.

Millennium - £1.1m Underspend

The original capital programme included provision to complete the Millennium walkway from Gunwharf Quays to the Historic Dockyard. It was subsequently decided that this scheme did not provide the best value for money and it was abandoned. The abandonment of the scheme also meant that £0.3m of capitalised costs that had previously been incurred had to be written off to revenue.

Planning, Regeneration and Economic Development - £1.3m Underspend

This was due to delays in the design and planning of the Northern Quarter redevelopment scheme.

Local Enterprise Partnership - £8.7m Overspend

After the original capital programme was approved, the Council changed its accounting policy in relation to the Solent Local Enterprise Partnership (LEP) which receives government grants which are then used to lend to other organisations. The Council amended its accounting policy because it believes that it is the principal in the LEP's transactions as it has a veto on all lending and bears the credit risk of lending by the LEP. The new approach is to include the Solent LEP's income, expenditure (including capital expenditure), assets and liabilities in its accounts. This has resulted in the Council's accounts including £8.7m of capital expenditure that had not been included in the original estimates.

Housing Revenue Account (HRA) - £4.6m Underspend

The underspend of £4.6m, is due to a number of projects that have slipped from 2013/14 into future years of the capital programme. This slippage was partly due to wet weather conditions over the winter which hampered the progress of building projects.

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 31st March 2014 were as follows:

	Original Estimate	Actual
	£'000	£'000
Non HRA	290,697	267,848
HRA	141,744	143,557
Total	432,441	411,405

The capital financing requirement is lower than the original estimate due to less capital works financed by borrowing being undertaken in 2012/13 which led to a lower than anticipated opening capital financing requirement at 1 April 2013, and further underspending on capital works financed by borrowing in 2013/14.

4. ACTUAL EXTERNAL DEBT

At 31 March 2014, the City Council's level of external debt amounted to £441,970,134 consisting of the following:

- Long Term Borrowing £354,822,109
- Finance leases £3,775,310
- Service concessions (including PFI schemes) £83,372,715

The overall level of debt, excluding debt managed by Hampshire County Council, has reduced between 2012/13 and 2013/14 by £8,313,308.

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 2013/14

1. GOVERNANCE

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

Treasury management activities are also governed by the Treasury Management Policy Statement, Annual Minimum Revenue Provision for Debt Repayment Statement and Annual Investment Strategy approved by the City Council. Treasury management activities were performed in accordance with these policies with the exception of investment activity on 28 March when the Council received £48.8m of City Deal Grant. The Council was only informed that it would be receiving this grant in 2013/14 on 25 March. Consequently this was not taken account in the Treasury Management Policy, and the limit on investments in money market funds and the variable interest rate exposure limit were exceeded for one day on 28 March.

When the City Deal Grant of £48.8m was received on 28 March, it had to be invested that day. Rather than invest all of this sum over a longer term on 28 March at the interest rates available on that day, it was decided to invest this sum in instant access AAA rated money market funds until better longer term investment opportunities arose. This resulted in the limit for investments in money market funds of £80m being exceeded by £5.2m on 28 March. AAA rated money market funds are a low risk form of investment as they are well diversified and the constituent investments are of short durations. However, money market funds can invest in the same institutions as the Council, and different money market funds can invest in the same institutions as each other, which can result in a concentration of risk in a particular institution.

This also resulted in the Council's variable interest rate exposure limit of (£189m), ie. net variable interest rate investments of £189m, being exceeded by £10.8m on 28 March. 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. However, these risks are currently mitigated by the very low interest rates currently offered by the market for investments.

2. FINANCING OF CAPITAL PROGRAMME

The 2013/14 capital programme was financed as follows:

Source of Finance	Anticipated £'000	Actual £'000
Corporate Reserves (including Capital Receipts)	12,380	2,581
Grants & Contributions	43,630	62,757
Revenue & Reserves	33,745	23,970
Long Term Borrowing	14,725	2,489
Total	<u>104,480</u>	<u>91,797</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.

In addition the Council received £48.8m of City Deal Grant which must be applied to finance capital expenditure or to the repayment of principal on borrowing by 30 June 2015. In order to ensure that this deadline is achieved, the amount of capital expenditure financed by City Deal Grant has been maximized. This has resulted in more capital expenditure being financed from grants and contributions than had been anticipated and less capital expenditure being financed from other sources than had been anticipated.

3. ECONOMIC BACKGROUND

After strong UK GDP growth of 0.7%, 0.8% and 0.7% in quarters 2, 3 and 4 respectively in 2013, it appears that strong growth will continue into 2014 as forward surveys are very encouraging. There are also positive indications that recovery is starting to broaden away from reliance on consumer spending and the housing market into construction, manufacturing, business investment and exporting. This strong growth has resulted in unemployment falling much faster towards the threshold of 7%, set by the Monetary Policy Committee (MPC) last August, before it said it would consider any increases in Bank Rate. In the February 2014 Inflation Report, the MPC therefore broadened its forward guidance by adopting five qualitative principles and looking at a much wider range of indicators. Accordingly, markets are expecting a first increase around the end of 2014, though recent comments from MPC members have emphasised they would want to see strong growth well established, and an increase in labour productivity / real incomes, before they would consider raising Bank Rate.

Also encouraging has been the sharp fall in inflation (CPI), reaching 1.6% in March: forward indications are that inflation will continue to be subdued. The return to strong growth has also helped lower forecasts for the increase in Government debt by £73bn over the next five years, as announced in the Autumn Statement, and by an additional £24bn, as announced in the March 2014 Budget - which also forecast a return to a significant budget surplus, (of £5bn), in 2018-19.

The Federal Reserve has continued with its monthly \$10bn reductions in asset purchases which started in December; asset purchases have now fallen from \$85bn to \$55bn and are expected to stop by the end of 2014, providing strong economic growth continues in the remainder of the year.

4. GROSS AND NET DEBT

The Council's net borrowing position at 31 March 2014 excluding accrued interest was as follows:

	1 April 2013	31 March 2014
	£'000	£'000
Borrowing	358,173	354,822
Finance Leases	4,538	3,775
Service Concession Arrangements (including PFIs)	84,221	83,373
Gross Debt	446,932	441,970
Investments	(246,068)	(296,761)
Net Debt	200,864	145,209

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. The £84m of borrowing taken in 2011/12 to take advantage of very low PWLB rates has also temporarily increased the Council's cash balances. The Council's investments increased by £51m in 2013/14. This was mainly due to the receipt of £48.8m of City Deal grant on 28 March 2014. However these reserves are fully committed and are not available to fund new expenditure.

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.

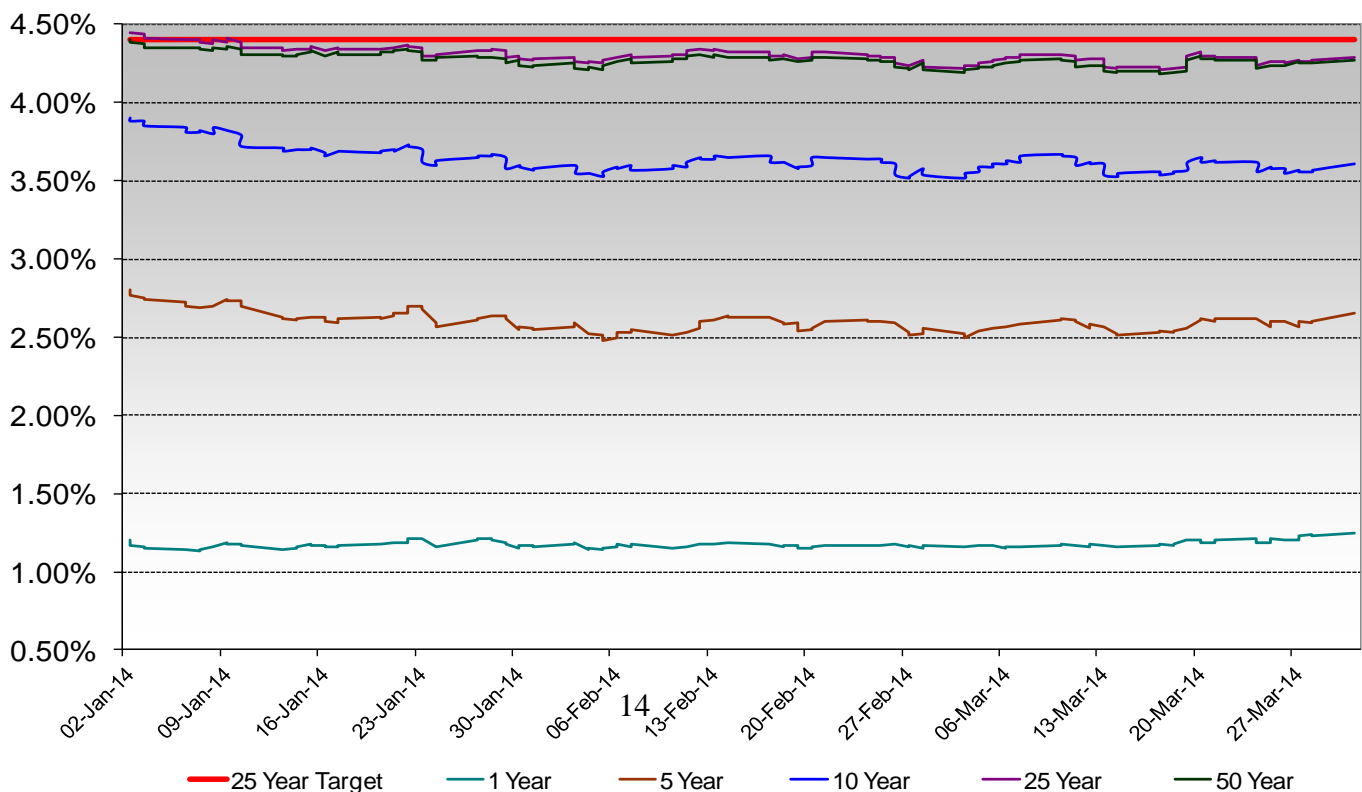
No debt rescheduling was undertaken in 2013/14.

6. BORROWING ACTIVITY

On 20th 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 23rd 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 28th 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 £30.6m at 31st March 2014.

The table below shows the PWLB rates in 2013/14.



No new long term borrowing was undertaken in 2013/14.

7. REFINANCING RISK

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

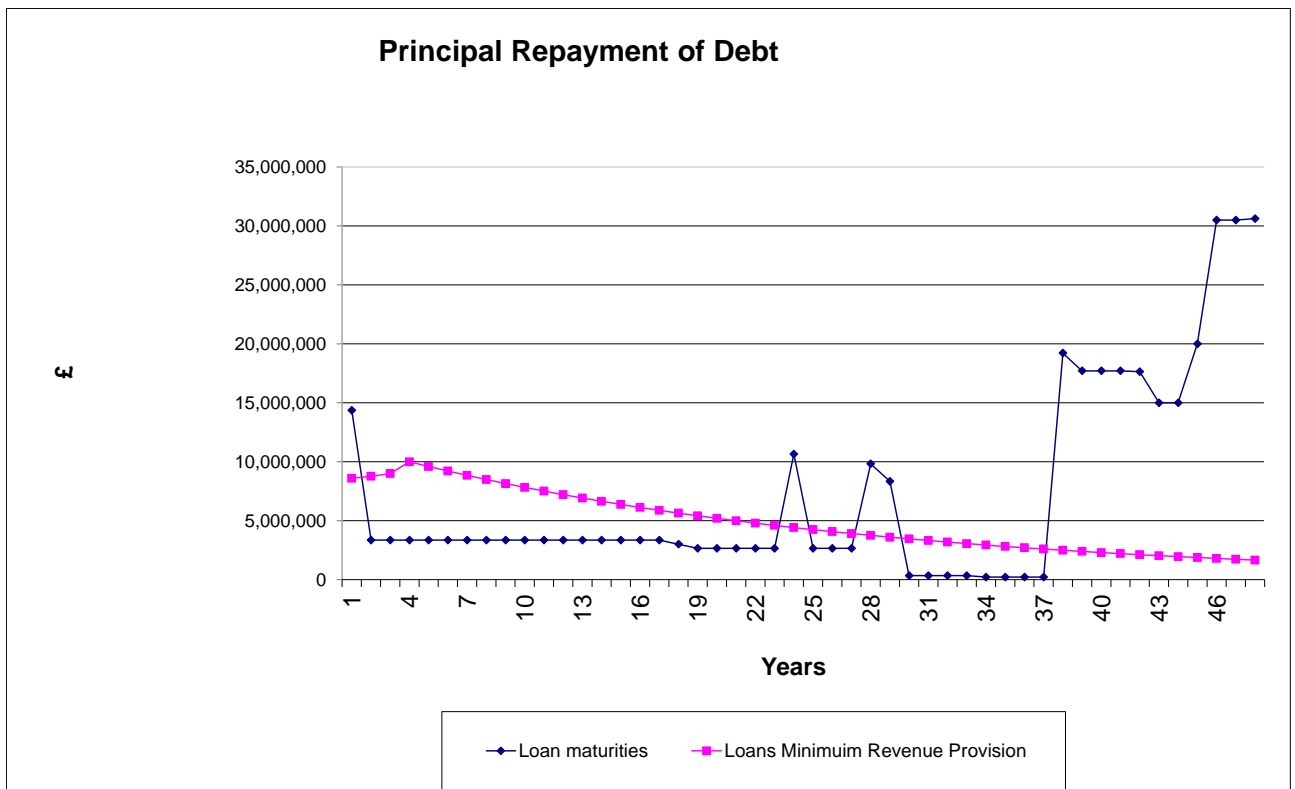
During 2007/08 the Council rescheduled £70.8m of debt. This involved repaying loans from the Public Works Loans Board (PWLB) early and taking out new loans from the PWLB with longer maturities ranging from 45 to 49 years. The effect of the debt restructuring was to reduce the annual interest payable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



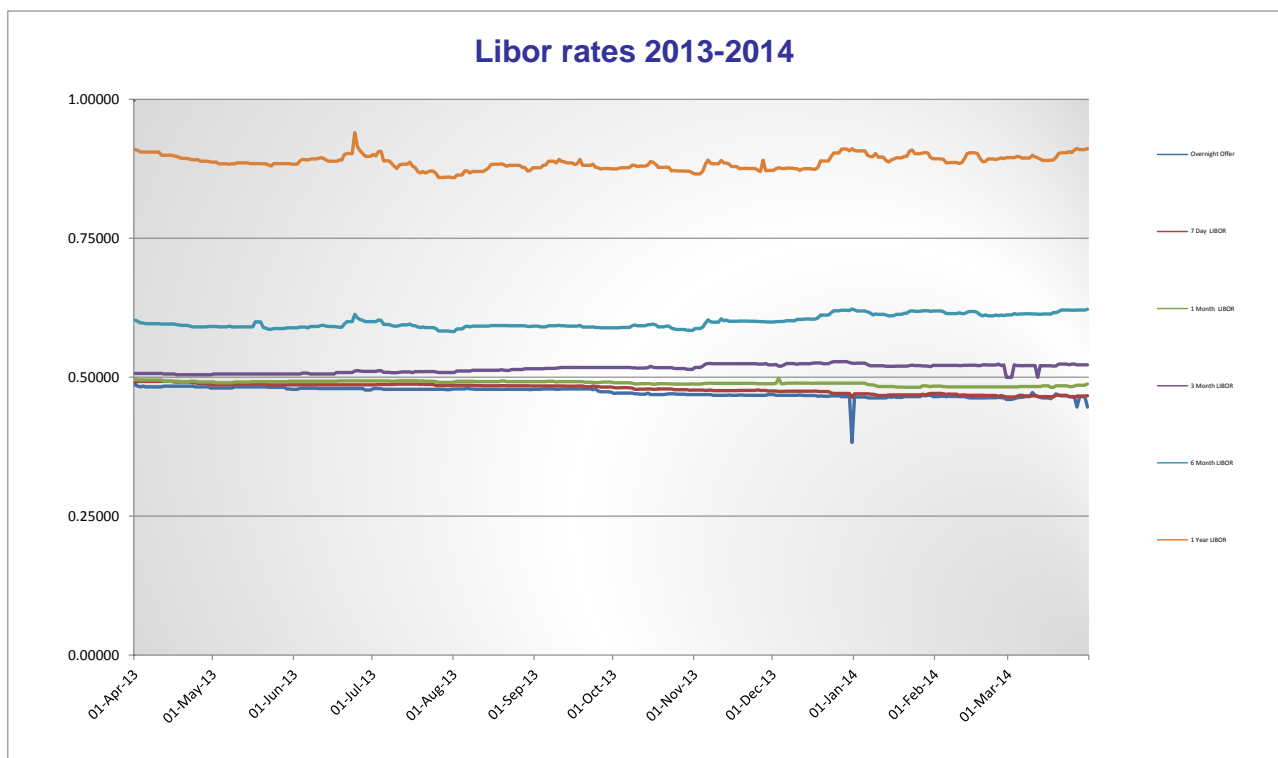
This means that it is necessary to invest the funds set aside for the repayment of debt with its attendant credit and interest rate risks (see sections 9 and 11). The City Council could reschedule its debt, but unless certain market conditions exist at the time, premium payments have to be made to lenders.

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	25%	25%	25%	25%	30%	30%	30%	70%
Actual	4%	1%	3%	5%	9%	13%	16%	49%

8. INVESTMENT ACTIVITY

London inter bank lending rates in 2013/14 are shown in the graph below:



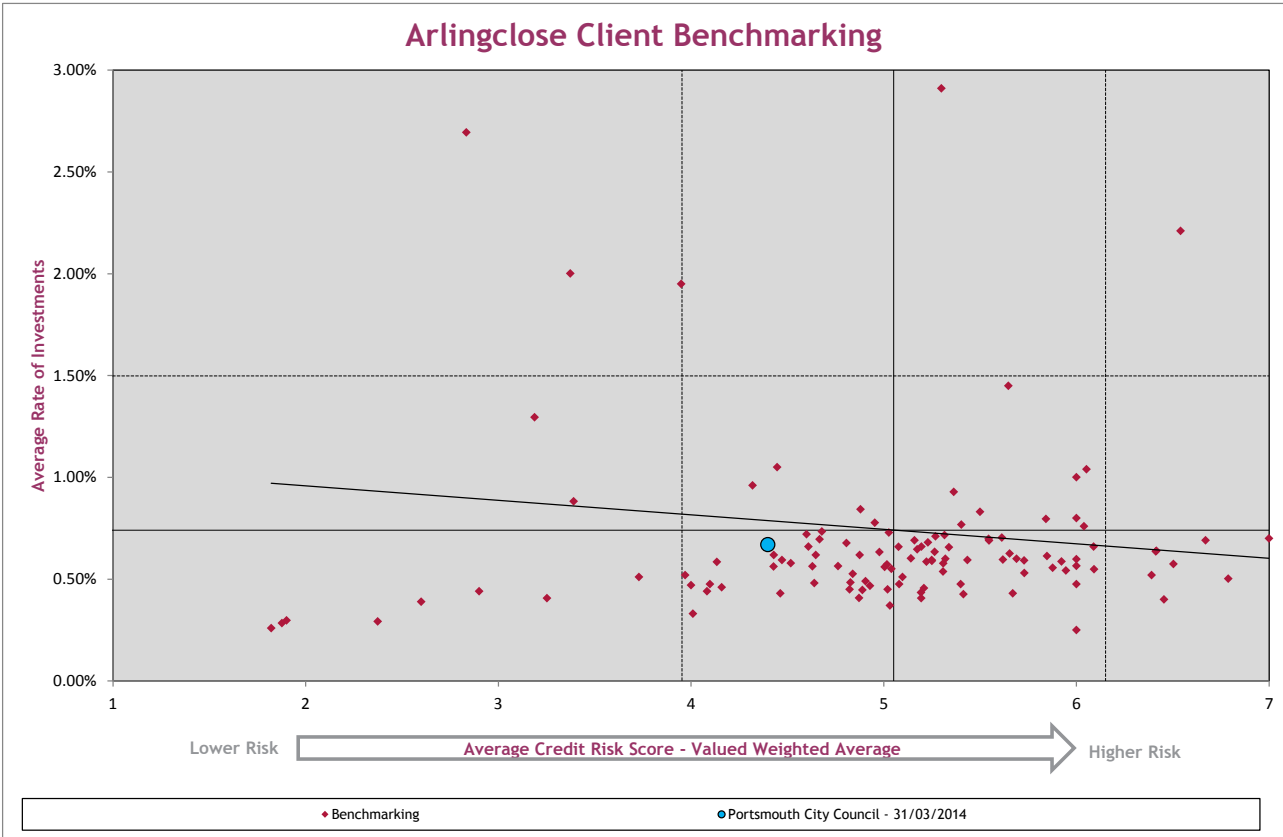
Bank base rate remained at 0.5% over the financial year and has remained unchanged since March 2009.

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

The average return on the Council's investments fell from 0.96% in 2012/13 to 0.74% in 2013/14. The average return on the Council's investments on 31 March 2014 was 0.67%. This is largely a consequence of the Council receiving £49m of City Deal grant from the Government on 28 March 2014 as it had to be invested in instant access money market funds which pay a relatively low rate of interest until it could be invested over a longer term.

The Councils Annual Investment Strategy sets an investment limit for each institution. A number of investment limits were revised as part of the Mid-Year Review approved by the City Council on 10 December 2013. The investment limits for unrated building societies are set at 0.5% of their total assets. As part of the review the investment limits of unrated building societies were revised to reflect the latest data published by KPMG. As part of this review the investment limit for Darlington Building Society was reduced by £0.1m from £2.7m to £2.6m, and the investment limit for Hanley Economic Building Society was also reduced by £0.1m from £1.7m to £1.6m. The Council had invested £2.7m in Darlington Building Society and £1.7m in Hanley Economic Building Society prior to the investment limits being reviewed. As a consequence of this, the Council's investments in both of these building societies now exceeded their investment limit by £0.1m. These investments matured on 10 January 2014 and 17 April 2014 respectively.

The City Council's investment activities are benchmarked by Arlingclose against its other clients. The graph below shows the councils' average rates of return as at 31 March 2014 against credit risk.



Portsmouth is below the line of best fit and to the left of the average. This indicates that Portsmouth's investment portfolio has a relatively low risk, but that its returns are below average. This situation has arisen following the receipt of £48.8m of City Deal grant on 28 March 2014 which was invested in instant access money market funds, which are low risk but offer low returns, pending investment over a longer term.

9. SECURITY OF INVESTMENTS

The risk of default has been managed through limiting investments in any institution to a maximum £26m, setting investment limits for individual institutions that reflect their financial strength and spreading investments over countries and sectors.

The 2013/14 Treasury Management Policy approved by the City Council on 19 March 2013 and amended by the City Council on 10 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 institutions 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

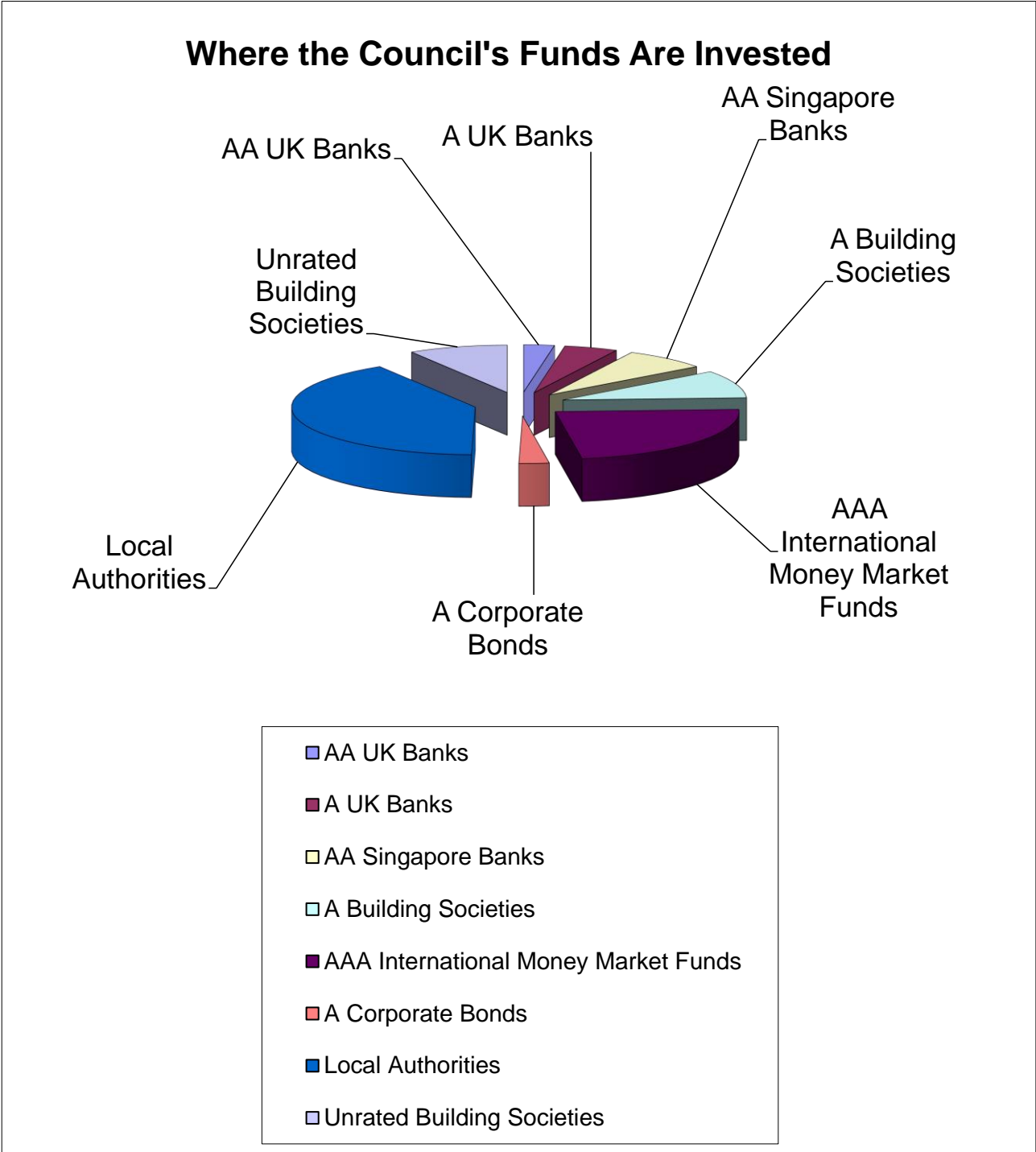
Individual / Financial Strength Rating

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

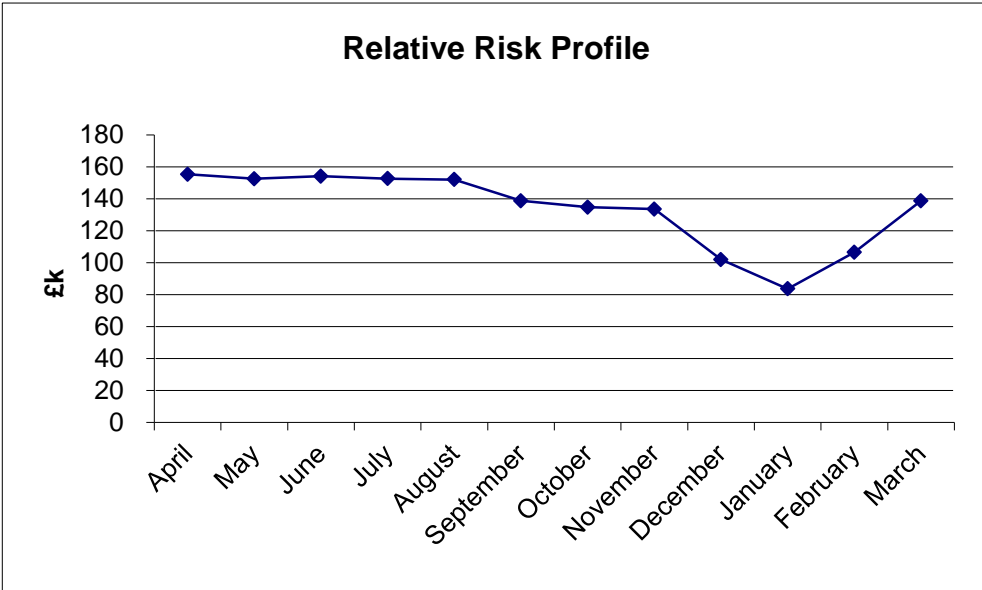
In addition the Council may invest in 23 unrated building societies and one building society with a single credit rating. These were drawn from the 36 largest building societies, but excluding those with especially large proportions of non-mortgage lending or wholesale funding, and those with particularly low levels of capital or liquidity, compared with the sector average.

At 31 March 2014 the City Council had on average £6.7m invested with each institution.

The chart below shows how the Council's funds were invested at 31 March 2014.



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.



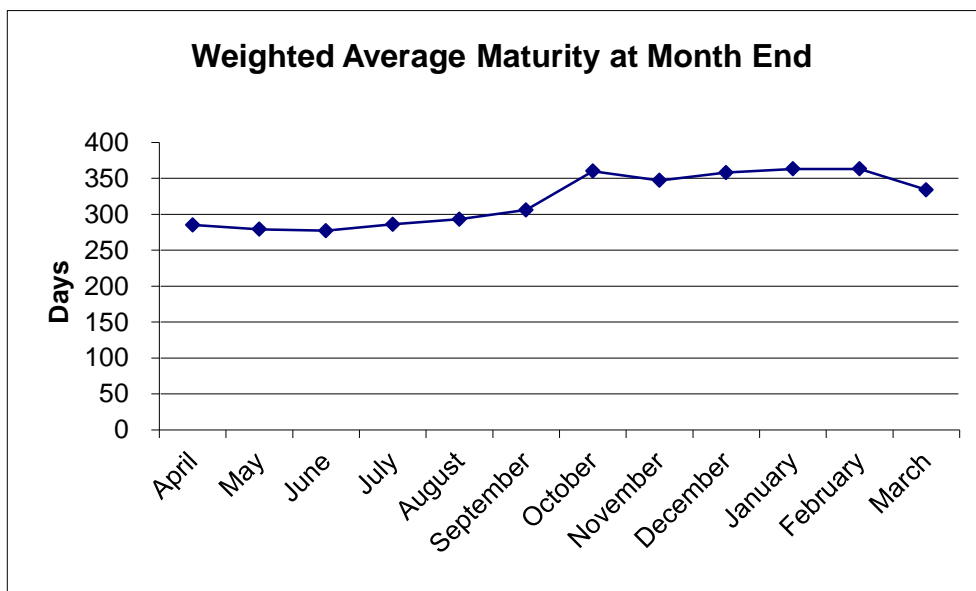
The City Council’s investment portfolio became relatively less risky in December and January. This is largely due to much less use being made of unrated building societies. More investments in unrated building societies were made in February and March.

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 2013/14 Treasury Management Policy seeks 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 31 March 2014 £69.5m was invested in instant access accounts. Whilst short term investments provide liquidity and reduce the risk of default, they do also leave the Council exposed to falling interest rates.

The weighted average maturity of the City Council’s investment portfolio started at 285 days in April and increased to 334 days in March as funds were available to invest longer to get a higher return. The weighted average maturity of the City Council’s investment portfolio dipped in March due to the receipt of £48.8m of City Deal grant which had to be invested in instant access money market funds until it could be invested over a longer term in 2014/15. This is shown in the graph below.



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 19th March 2013 is shown below.

	Limit (Not Exceeding) £m	Actual £m
31/3/2014	218	108
31/3/2015	208	66
31/3/2016	198	51

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 limit set by the City Council as at 31 March is shown below.

	Limit	Actual
	£m	£m
Maximum Projected Gross Borrowing – Fixed Rate	401	355
Minimum Projected Gross Investments – Fixed Rate	(39)	(108)
Fixed Interest Rate Exposure	362	247

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 limit set by the City Council as at 31 March is shown below.

	Limit	Actual
	£m	£m
Minimum Projected Gross Borrowing – Variable Rate	-	-
Maximum Projected Gross Investments – Variable Rate	(189)	(189)
Variable Interest Rate Exposure	(189)	(189)

12. REVENUE COSTS OF TREASURY MANAGEMENT ACTIVITIES IN 2013/14

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

Interest 2013/14

	Revised Estimate 2013/14 £	Actual 2013/14 £	Variance +/- £
PWLB – Maturity Loans	10,570,396	10,570,396	-
PWLB - E.I.P Loans	3,997,745	3,997,745	-
Other Long Term Loans	511,500	511,500	-
HCC Transferred Debt	521,347	518,986	(2,361)
Interest on Finance Lease	218,998	214,662	(4,336)
Interest on Service Concession Arrangements (including PFIs)	8,984,691	8,995,048	10,357
Interest Payable to External Organisations	8,556	(2,242)	(10,798)
	<hr/> 24,813,233	<hr/> 24,806,095	<hr/> (7,138)
<u>Deduct</u>			
Investment Income	<hr/> (3,541,004)	<hr/> (3,503,396)	<hr/> 37,608
	21,272,229	21,302,699	30,470
Provision for Repayment of Debt	10,775,990	5,909,524	(4,866,466)
Debt Management Costs	310,942	323,394	12,452
	<hr/> 32,359,161	<hr/> 27,535,617	<hr/> (4,823,544)

There is a £4.8m underspend against the revised estimate. This is principally due to the City Council resolving to use part of the City Deal Grant to repay the principal on borrowing. This reduced the provision for the repayment of debt to be met from revenue by £4.9m. This saving has been appropriated into the City Deal earmarked reserve in accordance with the Revised Minimum Revenue Provision for the Repayment of Debt Policy approved by the City Council on 3 June 2014. This reserve will be required to finance future capital expenditure on the City Deal.

Agenda Item 10

Agenda item:

Decision maker: Cabinet 25th September 2014
City Council 14th October 2014

Subject: Budget & Performance Monitoring 2014/15 (1st Quarter) to end June 2014

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 2014/15 in accordance with the proposals set out in the "Portsmouth City Council - Council Tax Setting 2014/15 to 2017/18 & Medium Term Budget Forecast 2014/15 to 2017/18" report approved by the City Council on the 11th February 2014.

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 £3,073,600 representing a variance of 1.76% against the City Council Budget (as adjusted) of £175,029,925.
- (ii) Reports are prepared setting out the options for significantly reducing or eliminating the adverse budget position presently being forecast within Children & Education, Health & Social Care and Traffic & Transportation Portfolios, including the associated impact of doing so.
- (iii) That the Council Leader works with the relevant portfolio holder to consider measures necessary to significantly reduce or eliminate the adverse budget position presently being forecast within Children & Education, Health & Social Care and Traffic & Transportation Portfolios and any necessary decisions presented to a future meeting of the relevant portfolio.

3. Background

- 3.1 A Budget for 2014/15 of £174,363,725 was approved by City Council on the 11th February 2014. This level of spending enabled a contribution to General Reserves of £3.383m after in-year spending was met from in-year income from all sources.

- 3.2 Since the 11th February City Council meeting the Council has been allocated additional one off non ring-fenced grants totalling £566,200 in 2014/15. In order to achieve the government's priorities in these areas, service budgets have been amended accordingly. In addition, the adjusted budget includes a transfer to the PFI Reserve in respect of maintenance undertaken within the PFI for on-street parking.
- 3.3 In summary, changes to the budget as approved on 11th February 2014 are as follows:

	£
Budget Approved 11 th February 2014	174,363,725
Individual Voter Registration	131,200
Special Education Needs Reform	253,600
Adoption Reform	181,400
Transfer to PFI Reserve	100,000
Adjusted 2014/15 Budget	175,029,925

- 3.4 Once the above budget changes are taken into account, the Budget (as adjusted) for 2014/15 has increased to £175,029,926. After the additional non ring fenced grant funding is taken into account this results in an overall contribution to General Reserves of £3.283m for 2014/15 (i.e. assuming no overall budget variance).
- 3.5 This is the first quarter monitoring report of 2014/15 and reports on the forecast 2014/15 outturn as at the end of June 2014. The forecasts summarised in this report and detailed in the attached papers are made on the basis that management action to address any forecast overspends 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.
- 3.6 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.
- 3.7 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 11th February 2014. 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 2014/15 – As at end June 2014

4.1 At the first quarter stage, the revenue outturn for 2014/15 is forecast to be overspent by £3,073,600 representing an overall budget variance of 1.76%.

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	2,950,600
Health and Social Care	751,200
Traffic and Transportation	340,100

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

	Quarter 1 (Adjusted Budget)
	£
Environment and Community Safety	134,700
Commercial Port	218,400
Resources	233,000
Asset Management Revenue Account	973,800

5 Quarter 1 Significant Budget Variations – Forecast Outturn 2014/15

5.1 Children and Education – Overspend £2,950,600 (or 9.3%)

The cost of Children and Education Services is forecast to be £2,950,600 higher than budgeted.

The key variances are:

- Home to school and college transport is forecasting an overspend of £317,600 due to the number of children being supported. New transport policies are being implemented from September and it is anticipated that the overspend will begin to reduce.
- Fieldwork Services are experiencing significant budget pressures as a result of a combination of the inability to deliver vacancy savings, additional supernumerary front line posts and the need to employ agency workers to cover practice leader posts. The supernumerary posts have been employed by the service as part of the strategy to reduce Looked After Children numbers, whilst also focusing on the government's adoption agenda to move

children into permanent arrangements; as a result this service is forecast to overspend by £1,076,000. Changes in transport charging policy have also resulted in a substantial staff parking cost of £143,000 now being levied on the service; opportunities to reduce this by looking at working practices are currently being explored.

- Whilst placements with independent foster carers continue to reduce, this has been at a slower rate than that anticipated and this budget area is forecast to overspend by £844,800.
- Management and Support (£395,600 overspend): The Independent Reviewing Officer (IRO) service is experiencing budget pressures of £202,000 as a result of not achieving vacancy savings targets, combined with the additional cost of 2 supernumerary specialist posts, which were recruited to lower the number of cases held by the IRO officers. The service is also experiencing additional pressures due to the increased contribution to the Integrated Commissioning Unit (this investment is intended to deliver future cost reductions through commissioning arrangements) as well as increased requirements associated with medical and legal costs.

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 £751,200 (or 1.6%)

The cost of Health & Social Care is forecast to be £751,600 higher than budgeted.

The key variances are:

- Social Care Activities is forecast to overspend by £366,500 due to recent changes in legislation that has placed a requirement on local authorities to carry out Deprivation of Liberties assessments which presently are being completed at a rate of 25 per week.
- Assistive Equipment & Technology is forecast to overspend by £171,300 due to higher demand than expected.
- Increased activity regarding Joint Carers Breaks (£65,900) and a small number of disability care packages being reviewed later than originally anticipated (£89,000)

5.3 Traffic & Transportation – Overspend £340,100 (or 2.00%)

The Portfolio is forecasting an overspend of £340,100

The main causes of the underlying forecast overspend relate to:

- Off Street Parking is forecasting a net revenue income shortfall of £394,700 as a result of savings planned to arise in previous years within the parking service not being fully achieved. As in previous years this shortfall will be met by a transfer from the Off Street Parking Reserve.

- As a result of the Highways PFI Contract renegotiations currently taking place, Highways Street Lighting (Electricity) is forecasting an overspend of £340,100 due to the delay in the installation of LED Street lighting enhancements approved by Council in November 2013, which are anticipated to result in significantly lower energy costs.

5.4 Environment and Community Safety – Underspend £134,700 (or 0.7%)

The Portfolio is forecasting an underspend of £134,700 due to:

- Waste volumes being lower than expected coupled with additional income arising from an improvement in the market price of dry mixed recyclables (£50,000)
- Additional income arising from charges for project related work and staff vacancies £51,800

5.5 PRED (Port) – Underspend £218,400 (or 4.9%)

Overall net income from the Port is forecast to be £218,400 above target income.

The improvement over the target net income is as a result of:

- Increased operational dues following the introduction of the new Transfennica and Brittany Ferries Etretat services coupled with a reduction in Management and General expenses offset by;
- Higher Operational Expenses as a result of higher dredging and Business Rate costs mitigated by quay assistant vacancies and lower energy costs.

5.6 Resources – Underspend £233,000 (or 1.0%)

The portfolio is forecasting an underspend of £233,000.

The main reasons for the net underspend are that:

- The Local Welfare Assistance scheme, which supports those in greatest need, is expected to underspend by £245,500 following a refund relating to 2013/14 of £140,000 and, based on previous levels of demand, an underspend relating to the current year of £140,000. This favourable variance will reduce if a bid to the Big Lottery 'Fresh Start' programme which is aimed at working with 15-25 year olds who are not currently in education, employment or training is successful (match funding of £90,000 will be required). Trading income of the Spinnaker Tower is also expected to be £100,000 greater than originally budgeted.
- The main area offsetting these underspends is HR, Legal and Performance which is forecasting an overspend of £141,800 as a result of restructurings that have not yet been fully implemented.

5.7 Asset Management Revenue Account – Underspend £973,800 (or 4.3%)

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 due to higher cash balances than originally expected (primarily due to £49 million City Deal Grant received 28th March 2014), improving interest rates and a reduced level of contingency to guard against interest rate fluctuations.

6 **Other Minor Budget Variations – Forecast Outturn 2014/15**

6.1 Culture, Leisure & Sport - No Forecast Variance

6.2 Housing – Minor Overspend £20,000 (or 1.1%)

6.3 Leader – Minor Overspend £5,600 (or 2.4%)

6.4 Licensing Committee – Minor Underspend £6,500 (or 4.5%)

6.5 Governance and Audit Committee – Underspend £49,600 (or 11.9%)

The Committee is forecasting an underspend of £49,600

The principle reason for the forecast underspend is due to higher income than budgeted of £51,800 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.

6.6 Levies – No Forecast Variance

6.7 Insurance – No Forecast Variance

6.8 Other Miscellaneous – No Forecast Variance

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

The Quarter 1 performance report will be considered by the Governance, Audit and Standards committee on 26th September. The report sets out the highlights, concerns and areas for improvement for all services.

As is usual with quarter one reports, trends are at an early stage of development. However, whilst many projects are proceeding well, and targets are being achieved, a

number of services are expressing concern around capacity and sustainability of services with reduced resources.

8. Conclusion - Overall Finance & Performance Summary

- 8.1 The overall forecast outturn for the City Council in 2014/15 as at the end of June 2014 is forecast to be £178,103,500. This is an overall overspend of £3,073,600 against the Amended Budget and represents a variance of 1.76%.
- 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 2014/15. Consequently, it is recommended that the Council Leader works with the relevant portfolio holder to consider measures to significantly reduce or eliminate the adverse budget position presently being forecast by these Portfolios, and any necessary decisions presented to a future meeting of the relevant portfolio.
- 8.5 Where a Portfolio is presently forecasting a net overspend in accordance with current Council policy, any overspending in 2014/15 which cannot be met by transfer from the Portfolio Specific Reserve will be deducted from cash limits in 2015/16 and therefore the appropriate Heads of Service in consultation with Portfolio Holders should prepare an action plan outlining how their 2014/15 forecast outturn or 2015/16 budget might be reduced to alleviate the adverse variances currently being forecast.
- 8.6 Based on the Budget (as adjusted) of £175,029,925 the Council will remain within its minimum level of General Reserves for 2014/15 of £6.0m as illustrated below:

	<u>£m</u>
General Reserves brought forward @ 1/4/2014	23.426
<u>Less:</u>	
Forecast Overspend 2014/15	(3.073)
<u>Add:</u>	
Planned Contribution to General Reserves 2014/15	3.283
Forecast General Reserves carried forward into 2015/16	23.636

Levels of General Reserves over the medium term are assumed to remain within the Council approved minimum sum of £6.0m in 2014/15 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.

.....

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
Council Tax Setting 2014/15 to 2017/18 & Medium Term Budget Forecast 2014/15 to 2017/18	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 25th September, 2014

Signed:

Approved / Approved as amended / Deferred / Rejected by the City Council on 14th
October, 2014

Signed:

**FINANCIAL & SERVICE
PERFORMANCE**

**QUARTER 1
2014/15**

INFORMATION PACK

FINANCIAL AND SERVICE PERFORMANCE MONTH ENDING JUNE 2014

MONTHLY BUDGET MONITORING STATEMENT - CASH LIMIT 2014/15			
PORTFOLIO	City Council General Fund		
BUDGET	Total General Fund Expenditure		
TOTAL CASH LIMIT	175,029,925	Budget Total Not Equal to Cash Limit Control Total by £1	
CHIEF OFFICER	All Budget Holders		
MONTH ENDED	June 2014		

ITEM No.	BUDGET HEADING	BUDGET PROFILE 2014/15				BUDGET FORECAST 2014/15			
		Budget Profile To End June 2014	Actual To End June 2014	Variance vs. Profile To June 2014		Total Budget	Forecast Year End Outturn	Variance vs. Total Budget	
				£	%			£	%
1	Children & Education	83,867,695	54,446,039	(29,421,656)	(35.1%)	31,695,893	34,646,487	2,950,594	9.3%
2	Culture, Leisure & Sport	2,207,064	2,381,330	174,266	7.9%	8,259,684	8,259,684	0	0.0%
3	Environment & Community Safety	3,312,147	2,909,050	(403,097)	(12.2%)	16,001,767	15,897,108	(104,659)	(0.7%)
4	Health & Social Care	12,089,490	10,256,692	(1,832,798)	(15.2%)	48,357,943	49,109,099	751,156	1.6%
5	Housing	440,738	422,188	(18,550)	(4.2%)	1,815,700	1,835,700	20,000	1.1%
6	Leader	56,312	55,133	(1,179)	(2.1%)	235,300	240,900	5,600	2.4%
7	PRED	213,169	(353,692)	(566,861)	(265.9%)	(1,144,373)	(1,144,373)	0	0.0%
8	Port	(1,710,035)	84,562	1,794,597	104.9%	(4,434,000)	(4,652,410)	(218,410)	(4.9%)
9	Resources	6,209,763	5,636,933	(572,831)	(9.2%)	22,564,023	22,739,600	175,577	0.8%
10	Traffic & Transportation	2,785,800	2,264,343	(521,457)	(18.7%)	16,594,392	17,275,957	681,565	4.1%
11	Licensing Committee	(35,775)	(46,043)	(10,268)	(28.7%)	(143,100)	(149,584)	(6,484)	(4.5%)
12	Governance, Audit & Standards Com	58,310	17,884	(40,426)	(69.3%)	416,200	366,600	(49,600)	(11.9%)
13	Levies	180,025	0	(180,025)	(100.0%)	821,000	820,900	(100)	(0.0%)
14	Insurance	185,000	184,454	(546)	(0.3%)	1,230,100	1,230,100	0	0.0%
15	Asset Management Revenue Account	1,256,633	567,400	(689,233)	(54.8%)	22,483,297	21,509,478	(973,819)	(4.3%)
16	Other Miscellaneous	93,400	1,432,400	1,339,000	1433.6%	10,276,100	10,276,100	0	0.0%
TOTAL		111,209,736	80,258,673	(30,951,063)	(27.8%)	175,029,926	178,261,347	3,231,421	1.8%
Total Value of Remedial Action (from Analysis Below)						(780,021)			
Total Net Forecast Outturn (after remedial action but before transfers (From)/to Portfolio Specific Reserves)						175,029,926	177,481,326	2,451,400	1.40%
Total Transfers To Portfolio Specific Reserves						622,200			
Total Net Forecast Outturn (after remedial action and after transfers (From)/to Portfolio Specific Reserves)						175,029,926	178,103,526	3,073,600	1.76%

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		(30,000)
4	Health & Social Care		0
5	Housing		0
6	Leader		0
7	PRED		0
8	Port		0
9	Resources		(408,600)
10	Traffic & Transportation		(341,421)
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
Total Value of Remedial Action			(780,021)

Note Remedial Action resulting in savings should be shown in brackets

FINANCIAL AND SERVICE PERFORMANCE MONTH ENDING JUNE 2014

MONTHLY BUDGET MONITORING STATEMENT - CASH LIMIT 2014/15

PORTFOLIO Children and Education
BUDGET 7,432,693 Education
 24,263,200 Children's Social Care & Safeguarding

TOTAL CASH LIMIT 31,695,893

CHIEF OFFICER Julian Wooster

MONTH ENDED June 2014

Risk indicator	
Low	L
Medium	M
High	H

Page 54

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 (IYSS)	
TOTAL		

BUDGET PROFILE 2014/15				
Budget Profile To End June 2014	Actual To End June 2014	Variance vs. Profile To June 2014		
£	£	£	%	
7,445,900	3,801,007	(3,644,893)	(49.0%)	
50,951,198	48,763,968	(2,187,230)	(4.3%)	
31,641,071	25,462,734	(6,178,337)	(19.5%)	
3,250,000	3,180,000	(70,000)	(2.2%)	
(17,556,579)	(32,661,080)	(15,104,501)	(86.0%)	
172,711	245,394	72,683	42.1%	
696,117	250,572	(445,545)	(64.0%)	
124,586	(274,913)	(399,499)	(320.7%)	
1,029,544	498,290	(531,254)	(51.6%)	
(54,079)	(692,025)	(637,946)	(1179.7%)	
363,251	352,078	(11,173)	(3.1%)	
1,861,921	1,735,076	(126,845)	(6.8%)	
2,846,508	3,140,329	293,821	10.3%	
252,751	3,914	(248,837)	(98.5%)	
247,942	297,089	49,147	19.8%	
594,853	343,606	(251,247)	(42.2%)	
TOTAL				
83,867,695	54,446,039	(29,421,656)	(35.1%)	

BUDGET FORECAST 2014/15				
Total Budget	Forecast Year End Outturn	Variance vs. Total Budget		RISK INDICATOR
£	£	£	%	
7,445,900	7,695,900	250,000	3.4%	L
50,951,198	50,951,198	0	0.0%	L
31,641,071	31,641,071	0	0.0%	L
3,250,000	3,250,000	0	0.0%	L
(93,288,169)	(93,538,169)	(250,000)	(0.3%)	L
951,500	1,056,400	104,900	11.0%	L
2,785,500	2,785,500	0	0.0%	M
1,010,100	1,040,100	30,000	3.0%	H
3,546,400	3,863,955	317,555	9.0%	M
531,793	531,793	0	0.0%	M
1,317,900	1,421,500	103,600	7.9%	M
5,979,800	7,055,843	1,076,043	18.0%	M
11,120,200	11,964,995	844,795	7.6%	H
908,000	1,034,115	126,115	13.9%	M
1,473,500	1,869,186	395,686	26.9%	M
2,071,200	2,023,100	(48,100)	(2.3%)	M
TOTAL				
31,695,893	34,646,487	2,950,594	9.3%	

Total Value of Remedial Action (from Analysis Below)

0

Total Net Forecast Outturn (after remedial action)

31,695,893 34,646,487 2,950,594 9.3%

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 2014/15

Item No.	Reason for Variation	Variance £
1	The overspend here is due to the continued growth in private, voluntary and independent nursery places for 3 & 4 Year olds being funded in the City. The EFA funding is lagged and therefore is creating a pressure in year.	250,000
5	Whilst the Authority is seeing growth in the numbers of 2 year olds accessing early education an underspend is expected in 2014 - 2015 as income is received on a per head basis.	(250,000)
6	The service have agreed to contribute to the cost of the new posts in the Integrated Commissioning Unit.	104,900
8	The over spend here relates to the establishment of the new "virtual schools" team and the creation of new posts.	30,000
9	The Home to school and college transport budget will be overspent this year due to the numbers of children being supported. The new transport polices will begin to be implemented in September and it is anticipated that the over spend will begin to reduce.	317,555
11	The over spend here is due to the teams having a full establishment of staff, which means that the service is finding difficult to meet any vacancy savings.	103,600
12	The overspending is primarily related to staffing levels which remain high thus not achieving the vacancy savings levels built into the budget nor offsetting the loss of Social Work Matters funding this year. There has also been an increase in the cost of the parking permits provided to staff.	1,076,043
13	Whilst placements with independent foster agencies are reducing it is at a lower pace than anticipated in the budget and generally numbers are still above the budgeted levels.	844,795
14	Reduced expectation of parental contributions coupled with increasing contract costs	126,115
15	The need for additional Independent Reviewing Officer posts, Agency coverage and a contribution towards Integrated Commissioning posts are creating financial pressures.	395,686
16	Secondment and delayed backfill of the vacant commissioning manager post.	(48,100)
TOTAL PROJECTED VARIANCE		2,950,594

Remedial Action	Value of Remedial Action
TOTAL VALUE OF REMEDIAL ACTION	0

Note Remedial Action resulting in savings is shown in brackets

FINANCIAL AND SERVICE PERFORMANCE MONTH ENDING JUNE 2014

MONTHLY BUDGET MONITORING STATEMENT - CASH LIMIT 2014/15

PORTFOLIO Culture, Leisure & Sport

BUDGET 4,741,783 City Development & Cultural Services
3,517,900 Transport & Street Management

TOTAL CASH LIMIT 8,259,683

CHIEF OFFICER Kathy Wadsworth

MONTH ENDED June 2014

Risk indicator	
Low	L
Medium	M
High	H

Page 56

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 inc (POC)
7	Sports Development
8	Departmental Establishment (Leisure)
9	Libraries
10	Museum Services
11	Cultural Partnerships (Previously Arts Service)
12	Community Centres
13	Events
TOTAL	

BUDGET PROFILE 2014/15				
Budget Profile To End June 2014	Actual To End June 2014	Variance vs. Profile To June 2014		
£	£	£	%	
752,163	501,640	(250,523)	(33.3%)	
54,070	(18,235)	(72,305)	(133.7%)	
(161,266)	(126,539)	34,727	21.5%	
95,750	433,353	337,603	352.6%	
70,884	70,753	(131)	(0.2%)	
76,622	(45,405)	(122,027)	(159.3%)	
83,607	87,159	3,552	4.2%	
112,150	127,715	15,565	13.9%	
650,844	749,606	98,762	15.2%	
222,630	231,912	9,282	4.2%	
95,160	153,004	57,844	60.8%	
75,920	85,815	9,895	13.0%	
78,530	130,552	52,022	66.2%	
2,207,064	2,381,330	174,266	7.9%	

BUDGET FORECAST 2014/15				
Total Budget	Forecast Year End Outturn	Variance vs. Total Budget		RISK INDICATOR
£	£	£	%	
2,469,191	2,469,191	0	0.0%	L
116,128	116,128	0	0.0%	L
(191,499)	(191,499)	0	0.0%	H
506,000	506,000	0	0.0%	L
283,535	283,535	0	0.0%	L
306,530	306,530	0	0.0%	H
220,579	238,279	17,700	8.0%	M
470,412	470,412	0	0.0%	L
2,140,933	2,140,933	0	0.0%	M
820,675	795,375	(25,300)	(3.1%)	M
381,175	380,775	(400)	(0.1%)	L
390,457	374,457	(16,000)	(4.1%)	L
345,568	369,568	24,000	6.9%	L
8,259,684	8,259,684	0	0.0%	
0				
8,259,684	8,259,684	0	0.0%	

Total Value of Remedial Action (from Analysis Below)	0
Total Net Forecast Outturn (after remedial action)	8,259,684

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 2014/15

Item No.	Reason for Variation	Variance £
7	Various options for the future of the Interaction Service are being explored. Savings previously approved have not been achieved.	17,700
10	Visits to the D Day Museum have increased as a result of this years high profile D Day 70 commemorations. This has resulted in additional fee and merchandising income being received which will be used to offset the projected overspending in other areas of the service.	(25,300)
11	Non material variance - unspent element of core revenue grants budget.	(400)
12	A budget exists for the future employment of a technician. There is an expectation that income will be generated by the post holder and that the full budget provision will not be required.	(16,000)
13	There is pressure to deliver the programmed events within the budget available. Provision has been made to fund this shortfall from underspending in other service areas.	24,000
TOTAL PROJECTED VARIANCE		0

Note Remedial Action resulting in savings is shown in brackets

Remedial Action	Value of Remedial Action
TOTAL VALUE OF REMEDIAL ACTION	0

FINANCIAL AND SERVICE PERFORMANCE MONTH ENDING JUNE 2014

MONTHLY BUDGET MONITORING STATEMENT - CASH LIMIT 2014/15

PORTFOLIO Environment & Community Safety

BUDGET

930,951	Corporate Assets, Business & Standards
119,400	City Development & Cultural Services
12,751,985	Transport and Street Management
2,199,431	Community Safety

TOTAL CASH LIMIT **16,001,767**

CHIEF OFFICER Kathy Wadsworth

MONTH ENDED June 2014

Risk Indicator	
Low	L
Medium	M
High	H

Page 58

ITEM No.	BUDGET HEADING
1	Environmental Protection
2	Environment Admin & Management
3	Community Safety Administration & Management
4	Environmental Health - Commercial Services
5	Port Health
6	Trading Standards
7	Welfare Burials
8	Refuse Collection
9	Waste Disposal
10	Waste Recycling
11	Public Conveniences
12	Street Cleansing
13	Clean City
14	Built Environment
15	Control Of Dogs
16	Projects & Procurement Management
17	Sea Defences And Drainage
18	Coastal Partnership
19	LATS
20	Cemeteries
21	Contaminated Land
22	Carbon Allowances
23	Street Enforcement
24	Motiv8
25	Hidden Violence And Abuse
26	Community Safety Strategy And Partnership
27	CCTV
28	PYOP
29	Community Wardens
30	Anti Social Behaviour Unit
31	Substance Misuse (including Alcohol)
32	Civil Contingencies (Emergency Planning)
TOTAL	

BUDGET PROFILE 2014/15				
Budget Profile To End June 2014	Actual To End June 2014	Variance vs. Profile To June 2014		
£	£	£	%	
110,676	113,316	2,640	2.4%	
3,357	9,443	6,086	181.3%	
3,543	3,459	(84)	(2.4%)	
72,201	62,344	(9,857)	(13.7%)	
(2,535)	(6,926)	(4,391)	(173.2%)	
74,314	102,089	27,775	37.4%	
3,024	3,209	185	6.1%	
856,957	809,137	(47,820)	(5.6%)	
468,757	488,363	19,606	4.2%	
32,580	32,272	(308)	(0.9%)	
130,473	125,715	(4,758)	(3.6%)	
741,042	741,042	0	0.0%	
999	0	(999)	(100.0%)	
19,590	19,384	(206)	(1.1%)	
24,439	6,714	(17,725)	(72.5%)	
25,536	(3,480)	(29,016)	(113.6%)	
41,018	46,104	5,086	12.4%	
130,341	130,958	617	0.5%	
		0	-	
(7,751)	(56,325)	(48,574)	(626.7%)	
29,920	21,933	(7,987)	(26.7%)	
3,801	260,299	256,498	6748.2%	
48,407	(48,407)		(100.0%)	
20,450	(20,450)		(100.0%)	
110,297		(110,297)	(100.0%)	
42,702		(42,702)	(100.0%)	
56,414		(56,414)	(100.0%)	
0		0	-	
177,703		(177,703)	(100.0%)	
46,724		(46,724)	(100.0%)	
0		0	-	
47,167		(47,167)	(100.0%)	
TOTAL	3,312,147	2,909,050	(403,097)	(12.2%)

BUDGET FORECAST 2014/15				
Total Budget	Forecast Year End Outturn	Variance vs. Total Budget		RISK INDICATOR
£	£	£	%	
321,286	321,286	0	0.0%	L
33,027	33,027	0	0.0%	L
14,361	14,361	0	0.0%	L
285,285	285,285	0	0.0%	M
(25,218)	(25,218)	0	0.0%	M
284,670	314,670	30,000	10.5%	M
17,540	17,540	0	0.0%	L
3,676,430	3,676,430	0	0.0%	H
4,679,651	4,629,648	(50,003)	(1.1%)	H
137,917	137,917	0	0.0%	L
368,318	368,318	0	0.0%	M
2,964,167	2,964,167	0	0.0%	L
4,000	4,000	0	0.0%	L
81,581	81,581	0	0.0%	L
90,084	90,084	0	0.0%	H
102,129	50,302	(51,827)	(50.7%)	M
272,643	272,643	0	0.0%	L
162,245	162,245	0	0.0%	M
		0	-	H
3,812	3,812	0	0.0%	L
119,400	94,400	(25,000)	(20.9%)	L
209,008	209,008	0	0.0%	L
193,600	192,792	(808)	(0.4%)	M
81,800	81,943	143	0.2%	L
441,187	440,704	(483)	(0.1%)	L
170,808	167,657	(3,151)	(1.8%)	L
225,657	224,576	(1,081)	(0.5%)	L
0	0	0	-	L
710,813	709,928	(885)	(0.1%)	L
186,897	185,979	(918)	(0.5%)	L
0	(275)	(275)		L
188,669	188,298	(371)	(0.2%)	L
TOTAL	16,001,767	15,897,108	(104,659)	(0.7%)

Total Value of Remedial Action (from Analysis Below)

(30,000)

Total Net Forecast Outturn (after remedial action)

16,001,767 **15,867,108** **(134,659)** **(0.8%)**

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 2014/15

Item No.	Reason for Variation	Variance £
6	The Rogue Traders project is continuing in line with previous approvals but the funding is held within the Portfolio Reserve, thus showing an overspend.	30,000
23	Items 23 - 32 Community Safety - Minor variances within service below material explanatory limit	(7,900)
9	Waste volumes have been slightly lower than budget so far this year, resulting in lower cost. Income has been higher than expected, due to an increase in selling prices for Dry Mixed Recyclables.	(50,000)
16	Income has been higher than budget, as more work of a chargeable nature has been undertaken. A saving in employment costs, due to a vacant post, is partly offset by the costs of short-term employees, who are contributing to the increase in income.	(51,800)
21	The projected underspend is as a result of staff vacancies in the service.	(25,000)
TOTAL PROJECTED VARIANCE		(104,700)

Note Remedial Action resulting in savings is shown in brackets

Remedial Action	Value of Remedial Action
Awaiting approval to utilise £30k of Environment & Community Portfolio Reserves to fund the previously approved Rogue Traders project.	(30,000)
TOTAL VALUE OF REMEDIAL ACTION	(30,000)

FINANCIAL AND SERVICE PERFORMANCE MONTH ENDING JUNE 2014

MONTHLY BUDGET MONITORING STATEMENT - CASH LIMIT 2014/15

PORTFOLIO Health & Social Care
 BUDGET 48,357,943

TOTAL CASH LIMIT 48,357,943

CHIEF OFFICER Julian Wooster

MONTH ENDED June 2014

Risk indicator	
Low	L
Medium	M
High	H

Page 60

ITEM No.	BUDGET HEADING
1	Physical Support
2	Sensory Support
3	Memory & Cognition
4	Learning Disability Support
5	Mental Health Support
6	Social Support: Substance Misuse Support
7	Asylum Seeker Support
8	Support for Carer - Direct Payments
9	Social Support: Other Support for Carer
10	Assistive Equipment & Technology
11	Social Care Activities
12	Information & Early intervention
13	Commissioning and Service Delivery
14	Supporting People - Housing
18	Sexual Health Mandatory - services
19	Sexual Health Non Mandatory - services
20	Smoking
21	Children 5-19 Programme
22	Health Checks
23	Obesity
24	Substance Misuse
25	Public Health Advice
26	Miscellaneous Public Health Services
27	European Integration Fund
28	Big Lottery
29	Chances 4 change
30	Cities of Service
31	Chances 4 change
TOTAL	

BUDGET PROFILE 2014/15				
Budget Profile To End June 2014	Actual To End June 2014	Variance vs. Profile To June 2014		
£	£	£	%	
2,863,180	3,282,815	419,635	14.7%	
0	0	0	-	
924,550	789,417	(135,133)	(14.6%)	
4,276,430	3,699,205	(577,225)	(13.5%)	
555,680	605,505	49,825	9.0%	
34,680	(544,586)	(579,266)	(1670.3%)	
0	0	0	-	
0	0	0	-	
19,280	86,906	67,626	350.8%	
190,530	450,220	259,690	136.3%	
1,581,550	1,587,175	5,625	0.4%	
78,500	121,381	42,881	54.6%	
319,700	23,008	(296,692)	(92.8%)	
1,245,410	1,366,691	121,281	9.7%	
804,930	777,734	(27,196)	(3.4%)	
63,670	45,218	(18,452)	(29.0%)	
305,450	170,330	(135,120)	(44.2%)	
181,280	126,330	(54,950)	(30.3%)	
89,510	71,555	(17,955)	(20.1%)	
108,800	120,515	11,715	10.8%	
1,218,630	653,110	(565,520)	(46.4%)	
41,900	11,335	(30,565)	(72.9%)	
(2,814,170)	(3,091,012)	(276,842)	(9.8%)	
0	94,697	94,697	-	
0	(167,954)	(167,954)	-	
0	(10,125)	(10,125)	-	
0	(12,778)	(12,778)	-	
		0	-	
12,089,490	10,256,692	(1,832,798)	(15.2%)	

BUDGET FORECAST 2014/15					RISK INDICATOR
Total Budget	Forecast Year End Outturn	Variance vs. Total Budget			
£	£	£	%		
11,452,708	11,477,427	24,719	0.2%	L	
0	0	0	0.0%	L	
3,698,211	3,715,285	17,074	0.5%	L	
17,105,724	17,164,772	59,048	0.3%	L	
2,222,726	2,271,766	49,040	2.2%	M	
138,700	138,700	0	0.0%	L	
0	0	0	0.0%	L	
0	0	0	0.0%	L	
77,100	74,700	(2,400)	(3.1%)	M	
762,134	933,400	171,266	22.5%	H	
6,326,208	6,692,746	366,538	5.8%	H	
314,000	314,000	0	0.0%	L	
1,278,790	1,344,690	65,900	5.2%	H	
4,981,642	4,981,642	0	0.0%	L	
3,219,718	3,219,718	0	0.0%	L	
254,691	254,691	0	0.0%	L	
1,221,812	1,187,480	(34,332)	(2.8%)	M	
725,106	725,106	0	0.0%	L	
358,033	352,304	(5,729)	(1.6%)	M	
435,209	431,106	(4,103)	(0.9%)	L	
4,874,514	4,874,514	0	0.0%	L	
167,587	167,587	0	0.0%	L	
(11,256,670)	(11,212,535)	44,135	(0.4%)	L	
0	0	0	0.0%	L	
0	0	0	0.0%	L	
0	0	0	0.0%	L	
0	0	0	0.0%	L	
0	0	0	0.0%	L	
48,357,943	49,109,099	751,156	1.6%		
	0	0			
48,357,943	49,109,099	751,156	1.6%		

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 2014/15

Item No.	Reason for Variation	Variance £
4	Learning Disability Support - the majority of savings relating to Learning Disability care packages that were approved for 14/15 have been identified and actioned. However, there are a small amount still to be achieved.	59,000
5	There is a high demand for Mental Health Services and so savings are not being achieved.	49,000
10	This is the first year of a joint Community Equipment Store Agreement between PCC, Southampton City Council and CCGs. The demand is higher than expected for Assertive Equipment and Technology across the Adult Social Care service.	171,300
11	Social Care Activities - Deprivation of Liberties (DOLS) - Adult Social Care are currently projecting an overspend of £321,542 for this area of the budget due to a recent change in legislation. This has placed the responsibility on local authorities to carry out these DOLS assessments which have rapidly increased from a few per week to approximately 25 per week.	366,500
13	Commissioning and Service Delivery - there has been more activity regarding Joint Carers Breaks resulting in this projected overspend.	65,900
	Other Miscellaneous Comprises a number of very small variances on a range of services.	39,500
	TOTAL PROJECTED VARIANCE	751,200

Remedial Action	Value of Remedial Action
Adult Social Care have released the £2.2m Portfolio Reserve in full for the Quarter 1 close. This has had the effect of reducing the projected overspend down to £751,200 as per this report. At this point in time there is no other funding available that can be allocated to the service to reduce this overspend further.	0
	0
TOTAL VALUE OF REMEDIAL ACTION	0

Note Remedial Action resulting in savings should be shown as minus figures

FINANCIAL AND SERVICE PERFORMANCE MONTH ENDING JUNE 2014

MONTHLY BUDGET MONITORING STATEMENT - CASH LIMIT 2014/15			
PORTFOLIO	Housing		
BUDGET	576,700	Corporate Assets, Business & Standards	
	1,239,000	Housing & Property Services	
TOTAL CASH LIMIT	1,815,700		
CHIEF OFFICERS	Kathy Wadsworth		
MONTH ENDED	June 2014		

Risk indicator	
Low	L
Medium	M
High	H

Page 62

ITEM No.	BUDGET HEADING
1	Housing Strategy - General
2	Registered Social Landlords
3	Housing Advisory Service
5	Housing Enabling
	PLP HB received - Balance on HG404 8011
	Private Leased Properties - all non HB expn
7	Private Leased Properties
	B&B and TAS HB received - Balance on HG402 & HG403 8011
	Homeless Prevention - all non HB expn
8	Homeless Prevention
9	Telecare
10	Wardens Welfare (Sheltered Housing)
11	Youth & Play Shared Services with the HRA
12	De Minimis Capital Receipts
13	Other Council Property
14	Works in Default / Properties in Default
15	Housing Standards
16	Houses in Multiple Occupation
17	Houses in Single Occupation
18	Home Check scheme
19	Controlling Orders
20	Mortgages
21	Green Deal
22	Low Rise Houses in Multiple Occupation Licensing

BUDGET PROFILE 2014/15				
Budget Profile To End June 2014	Actual To End June 2014	Variance vs. Profile To June 2014		
£	£	£	%	
41,073	34,810	(6,263)	(15.2%)	
18,319	14,254	(4,065)	(22.2%)	
53,391	47,210	(6,181)	(11.6%)	
22,061	21,377	(684)	(3.1%)	
(100,086)	(105,696)	(5,610)	(5.6%)	
90,629	85,898	(4,731)	(5.2%)	
(9,457)	(19,798)	(10,341)	(109.3%)	
(52,323)	(82,612)	(30,289)	(57.9%)	
200,727	218,216	17,489	8.7%	
148,404	135,604	(12,800)	(8.6%)	
(33,561)	(26,161)	7,400	22.0%	
18,717	15,818	(2,899)	(15.5%)	
85,863	104,951	19,088	22.2%	
(32,419)	(13,194)	19,225	59.3%	
(3,924)	(6,738)	(2,814)	(71.7%)	
(2,033)	(1,795)	238	11.7%	
134,862	115,071	(19,791)	(14.7%)	
(6,722)	(13,581)	(6,859)	(102.0%)	
(249)	(971)	(722)	(290.0%)	
5,912	27,724	21,812	368.9%	
501	0	(501)	(100.0%)	
0	0	0	-	
0	5,397	5,397	-	
0	(17,790)	(17,790)	-	

BUDGET PROFILE 2014/15					
Total Budget	Forecast Year End Outturn	Variance vs. Total Budget To June 2014			RISK INDICATOR
£	£	£	%		
166,780	166,780	0	0.0%	L	
72,868	72,868	0	0.0%	L	
168,664	168,664	0	0.0%	L	
87,760	87,760	0	0.0%	L	
(400,500)	(400,500)	0	0.0%	L	
362,957	362,957	0	0.0%	L	
(37,543)	(37,543)	0	0.0%	L	
(209,384)	(209,384)	0	0.0%	L	
799,967	799,967	0	0.0%	L	
590,583	590,583	0	0.0%	L	
(133,781)	(133,781)	0	0.0%	L	
74,681	74,681	0	0.0%	L	
442,616	442,616	0	0.0%	M	
(129,001)	(109,001)	20,000	15.5%	M	
(15,700)	(15,700)	0	0.0%	L	
(7,918)	(7,918)	0	0.0%	L	
538,053	538,053	0	0.0%	L	
(26,699)	(26,699)	0	0.0%	L	
(968)	(968)	0	0.0%	L	
23,305	23,305	0	0.0%	M	
2,000	2,000	0	0.0%	L	
0	0	0	-	L	
0	0	0	-	L	
0	0	0	-	L	

TOTAL	440,738	422,188	(18,550)	(4.2%)
--------------	----------------	----------------	-----------------	---------------

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

1,815,700	1,835,700	20,000	1.1%
1,815,700	1,835,700	20,000	1.1%

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 2014/15

Item No.	Reason for Variation	Variance £
12	Breaches of loans and grants conditions are fewer than forecast which has resulted in a reduction in recovery of penalty repayments. New loans and grants that are offered have revised financial assessments.	20,000
	Other variances	
	TOTAL PROJECTED VARIANCE	20,000

Note Remedial Action resulting in savings is shown in brackets

Remedial Action	Value of Remedial Action
Annual statements are due to be sent out shortly, the outcome of this action will reduce the overspend.	0
TOTAL VALUE OF REMEDIAL ACTION	0

FINANCIAL AND SERVICE PERFORMANCE MONTH ENDING JUNE 2014

MONTHLY BUDGET MONITORING STATEMENT - CASH LIMIT 2014/15	
PORTFOLIO	Leader
BUDGET	235,300
<hr/>	
TOTAL CASH LIMIT	235,300
<hr/>	
CHIEF OFFICER	
MONTH ENDED	June 2014

Risk indicator	
Low	L
Medium	M
High	H

Page 64

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

BUDGET PROFILE 2014/15				
Budget Profile To End June 2014	Actual To End June 2014	Variance vs. Profile To June 2014		
£	£	£	%	
627	70	(557)	-88.8%	
0	5,658	5,658	-	
27,094	30,044	2,950	10.9%	
2,341	609	(1,732)	-74.0%	
26,250	18,752	(7,498)	-28.6%	
<hr/>				
56,312	55,133	(1,179)	(2.1%)	

BUDGET FORECAST 2014/15				
Total Budget	Forecast Year End Outturn	Variance vs. Total Budget		RISK INDICATOR
£	£	£	%	
1,000	1,000	0	0.0%	L
25,000	25,000	0	0.0%	L
102,100	107,800	5,700	5.6%	L
(5,900)	(6,000)	(100)	(1.7%)	L
113,100	113,100	0	0.0%	L
<hr/>				
235,300	240,900	5,600	2.4%	

Total Value of Remedial Action (from Analysis Below)	0
Total Net Forecast Outturn (after remedial action)	235,300

235,300	240,900	5,600	2.4%
----------------	----------------	--------------	-------------

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 2014/15

Item No.	Reason for Variation	Variance £
3	The agreement for selling typing services to Fareham Borough Council took longer to negotiate than had been expected resulting in lower levels of income this year. In addition to this lower than forecast levels of income are being achieved from third party use of the Lord Mayors Banqueting room.	5,700
	Other minor variations over the remaining budget headings	(100)
TOTAL PROJECTED VARIANCE		5,600

Remedial Action	Value of Remedial Action
TOTAL VALUE OF REMEDIAL ACTION	0

Note Remedial Action resulting in savings is shown in brackets

FINANCIAL AND SERVICE PERFORMANCE MONTH ENDING JUNE 2014

MONTHLY BUDGET MONITORING STATEMENT - CASH LIMIT 2014/15

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

BUDGET

	1,070,400	City Development & Cultural Services
	(4,716,277)	Corporate Assets, Business & Standards
	2,501,504	Housing & Property Services

TOTAL CASH LIMIT (1,144,373)

CHIEF OFFICER Kathy Wadsworth
Michael Lawther

Risk indicator	
Low	L
Medium	M
High	H

MONTH ENDED June 2014

Page 65

ITEM No.	BUDGET HEADING
1	Planning Management & Administration
2	Planning Development Control
3	Planning Policy
4	Building Regulations & Control
5	Economic Regeneration and Service Plan
6	Tourism
7	Economic Development, Business and Standards
8	Enterprise Centres
9	PCMI
10	Community Learning
11	Administrative Buildings
12	Guildhall
13	Property Portfolio
14	City Centre North Development

BUDGET PROFILE 2014/15				
Budget Profile To End June 2014	Actual To End June 2014	Variance vs. Profile To June 2014		
		£	£	%
17,760	(12,053)	(29,813)	(167.9%)	
3,960	(161,644)	(165,604)	(4181.9%)	
87,220	64,394	(22,826)	(26.2%)	
(5,790)	(21,426)	(15,636)	(270.1%)	
76,740	(16,614)	(93,354)	(121.6%)	
143,732	45,130	(98,602)	(68.6%)	
67,726	(117,615)	(185,341)	(273.7%)	
(70,409)	(114,261)	(43,852)	(62.3%)	
10,870	256,368	245,498	2258.5%	
(13,503)	(98,611)	(85,108)	(630.3%)	
953,877	707,545	(246,332)	(25.8%)	
125,321	153,010	27,689	22.1%	
(1,184,335)	(1,037,915)	146,420	12.4%	
		0	-	
TOTAL	213,169	(353,692)	(566,861)	(265.9%)

BUDGET FORECAST 2014/15					RISK INDICATOR
Total Budget	Forecast Year End Outturn	Variance vs. Total Budget			
		£	%		
70,955	70,955	0	0.0%	M	
13,064	13,064	0	0.0%	H	
346,013	346,013	0	0.0%	M	
(23,167)	(23,167)	0	0.0%	H	
371,869	371,869	0	0.0%	L	
291,666	291,666	0	0.0%	L	
247,564	247,564	0	0.0%	L	
(281,634)	(281,634)	0	0.0%	L	
43,733	43,733	0	0.0%	L	
11,400	11,400	0	0.0%	M	
2,000,220	2,000,220	0	0.0%	M	
501,284	501,284	0	0.0%	L	
(4,737,340)	(4,737,340)	0	0.0%	H	
		-			
TOTAL	(1,144,373)	(1,144,373)	0	0.0%	
		0			
Total Net Forecast Outturn (after remedial action)	(1,144,373)	(1,144,373)	0	0.0%	

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 2014/15

Item No.	Reason for Variation	Variance £
4	A feasibility study is being carried out to explore whether it would be a viable option for Building Control to join the Gosport and Fareham Building Control Partnership. The outturn to Q1 projected forward indicates that there will be no variance to budget at year end, however, this situation may change if the slippage from the large number of staff vacancies in the service fails to offset the projected shortfall in income earned.	0
TOTAL PROJECTED VARIANCE		0

Note Remedial Action resulting in savings is shown in brackets

Remedial Action	Value of Remedial Action
TOTAL VALUE OF REMEDIAL ACTION	0

FINANCIAL AND SERVICE PERFORMANCE MONTH ENDING JUNE 2014

MONTHLY BUDGET MONITORING STATEMENT - CASH LIMIT 2014/15

PORTFOLIO Planning Regeneration & Economic Development (Commercial Ferry Port)

BUDGET (4,434,000)

TOTAL CASH LIMIT (4,434,000)

CHIEF OFFICER Martin Putman

MONTH ENDED June 2014

Risk indicator	
Low	L
Medium	M
High	H

ITEM No.	
	Income
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
	Total Income
	Operational Expenses
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
	Total Operational Expenses

BUDGET PROFILE 2014/15			
Budget Profile To End June 2014	Actual To End June 2014	Variance vs. Profile To June 2014	
£	£	£	%
(319)	(388)	(69)	(21.6%)
(192,076)	(171,138)	20,938	10.9%
(16,973)	(26,619)	(9,646)	(56.8%)
(122,611)	(91,733)	30,878	25.2%
(186,819)	(201,842)	(15,023)	(8.0%)
(2,512,904)	(2,382,050)	130,854	5.2%
(133,449)	(169,778)	(36,329)	(27.2%)
(10,657)	(50,906)	(40,249)	(377.7%)
(161,706)	(215,356)	(53,650)	(33.2%)
(57,336)	(83,802)	(26,466)	(46.2%)
(2,675)	(2,500)	175	6.5%
(3,397,525)	(3,396,112)	1,413	0.0%
752,481	732,849	(19,632)	(2.6%)
133,207	33,492	(99,715)	(74.9%)
93,486	34,085	(59,401)	(63.5%)
76,928	1,438,894	1,361,966	1770.4%
10,124	4,164	(5,960)	(58.9%)
2,971	623	(2,348)	(79.0%)
232,647	113,331	(119,316)	(51.3%)
0	768,070	768,070	-
23,097	27,026	3,929	17.0%
10,083	11,015	932	9.2%
(4,998)	(6,772)	(1,774)	(35.5%)
0	150	150	-
1,330,026	3,156,926	1,826,900	137.4%

BUDGET PROFILE 2014/15				RISK INDICATOR
Total Budget	Forecast Year End Outturn	Variance vs. Total Budget		
£	£	£	%	
(1,800)	(1,800)	0	0.0%	L
(768,600)	(468,600)	300,000	39.0%	M
(83,500)	(83,500)	0	0.0%	L
(173,000)	(173,000)	0	0.0%	L
(523,600)	(490,400)	33,200	6.3%	M
(10,478,900)	(10,941,985)	(463,085)	(4.4%)	H
(734,700)	(793,300)	(58,600)	(8.0%)	H
(85,000)	(80,600)	4,400	5.2%	M
(642,800)	(683,000)	(40,200)	(6.3%)	M
(162,600)	(170,600)	(8,000)	(4.9%)	L
(16,100)	(16,100)	0	0.0%	L
(13,670,600)	(13,902,885)	(232,285)	(1.7%)	
3,014,800	2,905,985	(108,815)	(3.6%)	M
789,500	799,500	10,000	1.3%	H
560,100	530,000	(30,100)	(5.4%)	H
1,633,700	1,683,700	50,000	3.1%	M
96,900	123,400	26,500	27.3%	L
17,800	17,800	0	0.0%	L
1,315,300	1,407,700	92,400	7.0%	H
8,600	1,200	(7,400)	(86.0%)	L
139,600	157,100	17,500	12.5%	L
121,000	129,800	8,800	7.3%	M
(30,000)	(30,000)	0	0.0%	M
1,700	1,700	0	0.0%	L
7,669,000	7,727,885	58,885	0.8%	

ITEM No.	
	Management and General Expenses
24	Direct Employee Expenses
25	Car Allowances
26	Advertising & 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	Total Management and General Expenses
34	Total Working Expenses
TOTAL CASH LIMIT	

BUDGET PROFILE 2014/15			
Budget Profile To End June 2014	Actual To End June 2014	Variance vs. Profile To June 2014	
£	£	£	%
280,918	263,880	(17,038)	(6.1%)
1,104	727	(377)	(34.1%)
37,895	35,239	(2,656)	(7.0%)
27,835	25,725	(2,110)	(7.6%)
5,658	3,021	(2,637)	(46.6%)
0	0	0	-
0	0	0	-
9,052	3,088	(5,964)	(65.9%)
(4,998)	(7,932)	(2,934)	(58.7%)
357,464	323,748	(33,716)	(9.4%)
1,687,490	3,480,675	1,793,185	106.3%
(1,710,035)	84,562	1,794,597	104.9%

BUDGET PROFILE 2014/15				RISK INDICATOR
Total Budget	Forecast Year End Outturn	Variance vs. Total Budget		
£	£	£	%	
1,131,250	1,126,290	(4,960)	(0.4%)	M
5,400	5,400	0	0.0%	L
224,950	202,500	(22,450)	(10.0%)	M
167,100	149,500	(17,600)	(10.5%)	M
28,000	28,000	0	0.0%	L
0	0	0	-	L
5,000	5,000	0	0.0%	L
37,800	37,800	0	0.0%	M
(31,900)	(31,900)	0	0.0%	M
1,567,600	1,522,590	(45,010)	(2.9%)	
9,236,600	9,250,475	13,875	0.2%	
(4,434,000)	(4,652,410)	(218,410)	(4.9%)	

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)

(4,434,000) (4,652,410) (218,410) (4.9%)

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	Net (Profit) / Loss

0	0	0	-
0	0	0	-
0	0	0	-
0	0	0	-
0	0	0	-
0	(45,879)	(45,879)	-
0	(980)	0	-
(1,710,035)	37,703	1,747,738	102.2%

280,000	280,000	0	0.0%
390,000	440,000	50,000	12.8%
750,000	750,000	0	0.0%
3,000,000	3,000,000	0	0.0%
100,000	100,000	0	0.0%
0	0	0	-
0	(2,940)	(2,940)	-
86,000	(85,350)	(171,350)	(199.2%)

Page 68

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

REASONS FOR VARIATIONS AGAINST TOTAL BUDGET 2014/15

Item No.	Reason for Variation	Variance £
Income	Tonnage Dues are forecast to have an adverse variance of £300,000 due to changes in the lease for Albert Johnson and Flathouse Quays. C.F.P. - Operational Dues is forecast to have a favourable variance of £463,085 due to the new Transfennica service and the new Brittany Ferries Etretat service, offset in part by a reduction in DFDS activity. Ship Services is expected to have a favourable variance of £58,600 due to the new Transfennica service and the Etretat service. Pilotage is forecast to have a favourable variance of £40,200 due to acts for Transfennica and self pilotage for Transfennica and Etretat.	(232,285)
Operational Expenses	Direct Employee Expenses is forecast to have a favourable variance of £108,815 due to Quay Assistant savings/vacant posts. Fuel, Light, Cleaning & Water is expected to have a favourable variance of £30,100 due to efficiencies within the building cleaning and window cleaning contracts, and savings to be generated from LED floodlights and the sea water harvesting system. Rent & Rates is forecast to have an adverse variance of £50,000 due to changes in rateable values. Other Hired and Contracted Services is forecast to have an adverse variance £92,400 due to dredging required, partly offset by efficiencies within the security contract, and the decision to no longer run a bus service between the terminal building and Portsmouth stations and reduced use of the road sweeper.	58,885
Management and General Expenses	Advertising and General Office Expenses is forecast to have a favourable variance of £22,450 due to savings identified in advertising and PR. Fixtures & Fittings is expected to have a favourable variance of £17,600 due to IT savings identified.	(45,010)
TOTAL PROJECTED VARIANCE		(218,410)

Remedial Action	Value of Remedial Action
TOTAL VALUE OF REMEDIAL ACTION	0

Note Remedial Action resulting in savings is shown in brackets

FINANCIAL AND SERVICE PERFORMANCE MONTH ENDING JUNE 2014

MONTHLY BUDGET MONITORING STATEMENT - CASH LIMIT 2014/15

PORTFOLIO Resources

BUDGET 22,564,023

TOTAL CASH LIMIT 22,564,023

CHIEF OFFICER Various

MONTH ENDED June 2014

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	Information Services
8	AMS Design & Maintenance
9	Property Services
10	Landlords Repairs & Maintenance
11	Spinnaker Tower
12	MMD Crane Rental
13	Administration Expenses
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 2014/15			
Budget Profile To End June 2014	Actual To End June 2014	Variance vs. Profile To June 2014	
£	£	£	%
22,062	2,559	(19,503)	(88.4%)
832,522	732,406	(100,116)	(12.0%)
0	85,906	85,906	-
397,203	266,180	(131,023)	(33.0%)
676,000	668,067	(7,933)	(1.2%)
967,879	1,412,090	444,211	45.9%
1,112,252	1,037,702	(74,550)	(6.7%)
190,010	186,424	(3,586)	(1.9%)
46,400	23,845	(22,555)	(48.6%)
325,749	(259,769)	(585,518)	(179.7%)
0	(41,914)	(41,914)	-
0	(96,371)	(96,371)	-
0	(747)	(747)	-
(159,797)	(155,379)	4,418	2.8%
(37,449)	(66,106)	(28,657)	(76.5%)
525,821	455,957	(69,865)	(13.3%)
226,700	224,713	(1,987)	(0.9%)
545,495	273,302	(272,193)	(49.9%)
0	(20,000)	(20,000)	-
216	(11,398)	(11,614)	(5377.0%)
320,295	612,568	292,273	91.3%
218,405	306,899	88,494	40.5%

BUDGET PROFILE 2014/15				RISK INDICATOR
Total Budget	Forecast Year End Outturn	Variance vs. Total Budget		
£	£	£	%	
401,123	400,300	(823)	(0.2%)	L
2,968,100	3,109,900	141,800	4.8%	H
0	343,600	343,600	-	M
1,730,600	1,729,300	(1,300)	(0.1%)	L
676,000	676,000	0	0.0%	L
4,554,500	4,491,600	(62,900)	(1.4%)	H
4,833,900	4,832,800	(1,100)	(0.0%)	M
849,900	849,900	0	0.0%	M
193,300	358,300	165,000	85.4%	H
1,303,000	1,303,000	0	0.0%	M
(250,000)	(350,000)	(100,000)	(40.0%)	M
(385,400)	(385,400)	0	0.0%	M
5,700	5,700	0	0.0%	L
(637,000)	(637,000)	0	0.0%	M
(199,200)	(176,000)	23,200	11.6%	M
1,271,100	1,264,900	(6,200)	(0.5%)	L
671,200	424,700	(246,500)	(36.7%)	M
2,038,700	2,023,000	(15,700)	(0.8%)	M
134,500	134,500	0	0.0%	L
(82,900)	(101,000)	(18,100)	(21.8%)	M
1,171,100	1,185,200	14,100	1.2%	L
1,315,800	1,256,300	(59,500)	(4.5%)	M

TOTAL

6,209,763 5,636,933 (311,683) (5.0%)

22,564,023 22,739,600 175,577 0.8%

Total Value of Remedial Action (from Analysis Below)

(408,600)

Total Net Forecast Outturn (after remedial action)

22,564,023 22,331,000 (233,023) (1.0%)

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

0

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

REASONS FOR VARIATIONS AGAINST TOTAL BUDGET 2014/15

Item No.	Reason for Variation	Variance £
2	The HR, Legal and Performance Management budget is currently forecast to be under-recovered. This is due to restructuring to achieve savings which have yet to implemented.	141,800
3	The budget for this item will be transferred at year-end and will be equal to what has been spent.	343,600
6	The service are holding vacancies where possible in order to prepare for saving requirements in future years.	(62,900)
9	The overspend is split into two elements. Of the £165,000, £100,000 was initially a recommended 14/15 budget saving. This saving was based on the AMS Property Service creating Business Partners with other PCC Services' Property Departments, providing a more efficient service and creating a reduction in staff. However, following the splitting of AMS, this saving can no longer be achieved. The further overspend of £65,000 covers the balance of the funding previously agreed for a 1 year project to review the property portfolio assets. This funding was previously approved but currently is held within the Resources Portfolio Reserve awaiting transfer into the budget.	165,000
11	The Tower continues to report an improvement in trading activity.	(100,000)
16	These variances represent the difference between housing benefit paid out to private tenants and council house tenants and the government subsidy received for these purposes. The total value of benefits paid exceeds £100m, therefore subtle variations in factors can result in material variances.	23,200
Page 70	The local welfare assistance scheme is a fund that is being used to support those in greatest need, providing help towards the funding mainly of white goods & furniture for resettlement & a small proportion for emergencies and exceptional expenses. This underspend represents a refund from 2013/14 of £106,500, plus an estimated underspend in this financial year amounting to £140,000 based on last years position. The resources meeting of 17th July 2014 agreed the use of £90,000 of this underspend for provision in 2015/16 to provide matched funding for the "Fresh Start" bid to the Big Lottery.	(246,500)
23	Represents an unfilled vacancy which will be offered as a saving in 2015-16.	(59,500)
	Other minor variances	(29,123)
	TOTAL PROJECTED VARIANCE	175,577

Remedial Action	Value of Remedial Action
A planned release from the MTRS Reserve will fully meet the costs of the approved Transformation Business Cases.	(343,600)
Awaiting approval to release £65,000 from the Resources Portfolio Reserve which will meet the overspend on the review of the Property Portfolio. The £100,000 overspend has been referred to Members for a decision on the course of action to take.	(65,000)
TOTAL VALUE OF REMEDIAL ACTION	(408,600)

Note Remedial Action resulting in savings is shown in brackets

FINANCIAL AND SERVICE PERFORMANCE MONTH ENDING JUNE 2014

MONTHLY BUDGET MONITORING STATEMENT - CASH LIMIT 2014/15

PORTFOLIO Traffic & Transportation
 BUDGET 16,594,392

TOTAL CASH LIMIT 16,594,392

CHIEF OFFICER Kathy Wadsworth

MONTH ENDED June 2014

Risk indicator	
Low	L
Medium	M
High	H

Page 71

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

BUDGET PROFILE 2014/15			
Budget Profile To End June 2014	Actual To End June 2014	Variance vs. Profile To June 2014	
£	£	£	%
(488,281)	(913,512)	(425,231)	(87.1%)
(13,759)	56,196	69,955	508.4%
44,094	62,536	18,442	41.8%
152,900	138,465	(14,435)	(9.4%)
1,324,794	1,337,569	12,775	1.0%
777,584	704,259	(73,325)	(9.4%)
240,542	265,302	24,760	10.3%
(18,474)	(17,002)	1,472	8.0%
974,475	971,547	(2,928)	(0.3%)
(456,623)	(568,473)	(111,850)	(24.5%)
32,657	31,863	(794)	(2.4%)
86,280	63,272	(23,008)	(26.7%)
21,887	(102)	(21,989)	(100.5%)
97,998	126,000	28,002	28.6%
9,726	6,423	(3,303)	(34.0%)
TOTAL		(521,457)	(18.7%)

Total Value of Remedial Action (from Analysis Below)	(341,421)
Total Net Forecast Outturn (after remedial action)	340,144

BUDGET FORECAST 2014/15				RISK INDICATOR
Total Budget	Forecast Year End Outturn	Variance vs. Total Budget		
£	£	£	%	
(2,204,067)	(1,809,375)	394,692	17.9%	H
-	-	0	-	M
202,411	202,411	0	0.0%	M
567,374	570,494	3,120	0.5%	H
9,276,602	9,276,602	0	0.0%	L
3,140,470	3,140,470	0	0.0%	L
1,130,585	1,470,729	340,144	30.1%	H
(54,916)	(73,307)	(18,391)	(33.5%)	M
4,016,310	4,010,310	(6,000)	(0.1%)	M
(169,902)	(171,902)	(2,000)	(1.2%)	H
120,047	120,047	0	0.0%	L
346,100	316,100	(30,000)	(8.7%)	L
143,497	143,497	0	0.0%	L
40,981	40,981	0	0.0%	L
38,900	38,900	0	0.0%	M
TOTAL	17,275,957	681,565	4.1%	
		(341,421)		
TOTAL	16,934,536	340,144	2.0%	

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 2014/15

Item No.	Reason for Variation	Variance £
1	Projected savings in the Parking Service have not yet been fully achieved. This will be offset by a transfer from the Off-Street Parking Reserve.	394,692
7	The installation of LED lights was expected lead to significant savings in Street Lighting electricity. However, this project is currently delayed due to negotiations with the PFI contractor.	340,144
12	Previous difficulties in recruiting School Crossing Patrol staff are still being experienced despite continued recruitment activity.	(30,000)
	Other Variances	(23,271)
TOTAL PROJECTED VARIANCE		681,565

Note Remedial Action resulting in savings is shown in brackets

Remedial Action	Value of Remedial Action
A transfer from the Off-Street Parking Reserve will be required at year-end.	(341,421)
TOTAL VALUE OF REMEDIAL ACTION	(341,421)

FINANCIAL AND SERVICE PERFORMANCE MONTH ENDING JUNE 2014

MONTHLY BUDGET MONITORING STATEMENT - CASH LIMIT 2014/15

COMMITTEE Governance, Audit and Standards Committee

BUDGET 416,200

TOTAL CASH LIMIT 416,200

CHIEF OFFICER Michael Lawther

MONTH ENDED June 2014

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 2014/15				
Budget To End June 2014	Actual To End June 2014	Variance vs. Profile To June 2014		
£	£	£	%	
40,755	112,555	71,800	176.2%	
44,747	35,823	(8,924)	(19.9%)	
(27,192)	(130,494)	(103,302)	(379.9%)	

BUDGET FORECAST 2014/15					
Total Budget	Forecast Year End Outturn	Variance vs. Total Budget			RISK INDICATOR
£	£	£	%		
144,400	146,600	2,200	1.5%		L
295,000	295,000	0	0.0%		M
(23,200)	(75,000)	(51,800)	(223.3%)		M

TOTAL

58,310 17,884 (40,426) (69.3%)

416,200 366,600 (49,600) (11.9%)

Total Value of Remedial Action (from Analysis Below)

0

Total Net Forecast Outturn (after remedial action)

416,200 366,600 (49,600) (11.9%)

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 2014/15

Item No.	Reason for Variation	Variance £
1	Minor variations to budget	2,200
3	It is expected that the Registrars will deliver an underspend at the end of the financial year due additional income for the chargeable services that it delivers. A conscious decision has been made to preserve these savings to support other pressures within the portfolio. Going forward this additional income will help the service achieve future increased income targets as a contribution to the City Council's budget savings strategy.	(51,800)
TOTAL PROJECTED VARIANCE		(49,600)

Remedial Action	Value of Remedial Action
TOTAL VALUE OF REMEDIAL ACTION	0

Note Remedial Action resulting in savings is shown in brackets

FINANCIAL AND SERVICE PERFORMANCE MONTH ENDING JUNE 2014

MONTHLY BUDGET MONITORING STATEMENT - CASH LIMIT 2014/15

PORTFOLIO Other Expenditure
 BUDGET 821,000 Levies

TOTAL CASH LIMIT 821,000

CHIEF OFFICER Michael Lawther

MONTH ENDED June 2014

Risk indicator	
Low	L
Medium	M
High	H

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

BUDGET PROFILE 2014/15			
Budget To End June 2014	Actual To End June 2014	Variance vs. Profile To June 2014	
£	£	£	%
		0	-
180,025	0	(180,025)	(100.0%)
		0	-
180,025	0	(180,025)	(100.0%)

Total Value of Remedial Action (from Analysis Below) 0

Total Net Forecast Outturn (after remedial action)

BUDGET FORECAST 2014/15				RISK INDICATOR
Total Budget	Forecast Year End Outturn	Variance vs. Total Budget		
£	£	£	%	
51,500	51,500	0	0.0%	M
720,200	720,100	(100)	(0.0%)	M
49,300	49,300	0	0.0%	L
821,000	820,900	(100)	(0.0%)	

0

821,000 **820,900** **(100)** **(0.0%)**

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 2014/15

Item No.	Reason for Variation	Variance £
2	Qtr 1 Coroners Levy has not yet been calculated and issued by Hampshire County Council as at 28 July 14.	(100)
3	The 2014/15 Contribution was paid in 2013/14 and not moved to the correct year	0
TOTAL PROJECTED VARIANCE		(100)

Note Remedial Action resulting in savings is shown in brackets

Remedial Action	Value of Remedial Action
TOTAL VALUE OF REMEDIAL ACTION	0

FINANCIAL AND SERVICE PERFORMANCE MONTH ENDING JUNE 2014

MONTHLY BUDGET MONITORING STATEMENT - CASH LIMIT 2014/15

PORTFOLIO Other Expenditure
 BUDGET 1,230,100 Insurance

TOTAL CASH LIMIT 1,230,100

CHIEF OFFICER Michael Lawther

MONTH ENDED June 2014

Risk indicator	
Low	L
Medium	M
High	H

Page 76

ITEM No.	BUDGET HEADING
1	Insurance Revenue Account
TOTAL	

BUDGET PROFILE 2014/15			
Budget Profile To End June 2014	Actual To End June 2014	Variance vs. Profile To June 2014	
£	£	£	%
185,000	184,454	(546)	(0.3%)
185,000	184,454	(546)	(0.3%)

BUDGET FORECAST 2014/15				RISK INDICATOR
Total Budget	Forecast Year End Outturn	Variance vs. Total Budget		
£	£	£	%	
1,230,100	1,230,100	0	0.0%	M
1,230,100	1,230,100	0	0.0%	

Total Value of Remedial Action (from Analysis Below) 0

Total Net Forecast Outturn (after remedial action) 1,230,100 1,230,100 0 0.0%

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 2014/15

Item No.	Reason for Variation	Variance £
	TOTAL PROJECTED VARIANCE	0

Remedial Action	Value of Remedial Action
TOTAL VALUE OF REMEDIAL ACTION	0

Note Remedial Action resulting in savings is shown in brackets

FINANCIAL AND SERVICE PERFORMANCE MONTH ENDING JUNE 2014

MONTHLY BUDGET MONITORING STATEMENT - CASH LIMIT 2014/15	
PORTFOLIO	Other Expenditure
BUDGET	22,483,297 Asset Management Revenue Account
<hr/>	
TOTAL CASH LIMIT	22,483,297
<hr/>	
CHIEF OFFICER	Michael Lawther
MONTH ENDED	June 2014

Risk indicator	
Low	L
Medium	M
High	H

ITEM No.	BUDGET HEADING
1	External Interest Paid
2	External Interest Earned
3	Net Minimum Revenue Provision

BUDGET PROFILE 2014/15			
Budget To End June 2014	Actual To End June 2014	Variance vs. Profile To June 2014	
£	£	£	%
1,857,902	1,857,902	0	0.0%
(601,269)	(1,290,502)	(689,233)	(114.6%)
0		0	-

BUDGET FORECAST 2014/15				RISK INDICATOR
Total Budget	Forecast Year End Outturn	Variance vs. Total Budget		
£	£	£	%	
18,309,502	18,561,527	252,025	1.4%	H
(2,405,074)	(3,630,918)	(1,225,844)	(51.0%)	H
6,578,869	6,578,869	0	0.0%	M

TOTAL	1,256,633	567,400	(689,233)	(54.8%)
Total Value of Remedial Action (from Analysis Below)				
				0
Total Net Forecast Outturn (after remedial action)				
				(4.3%)

22,483,297	21,509,478	(973,819)	(4.3%)
			0
22,483,297	21,509,478	(973,819)	(4.3%)

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 2014/15

Item No.	Reason for Variation	Variance £
1	Possible borrowing in 2014/15 to secure lower interest rates	252,025
2	Increased returns on investments	(1,225,844)
TOTAL PROJECTED VARIANCE		(973,819)

Remedial Action	Value of Remedial Action
TOTAL VALUE OF REMEDIAL ACTION	0

Note Remedial Action resulting in savings is shown in brackets



Title of meeting: Governance and Audit and Standards Committee

Date of meeting: 26 September 2014

Subject: Review of polling districts and polling places

Report by: Electoral Services Manager

Wards affected:

Key decision: No

Full Council decision: Yes

1. Purpose of report

To detail the outcomes of the review of polling districts and polling places recently undertaken and to invite members to consider the recommendations made.

2. Recommendation

That the changes recommended in paragraphs 5.2 to 5.11 are approved and implemented on publication of the 2015 Register of Electors.

3. Background

- 3.1 The Council is required under section 18 of the Representation of the People Act 1983 (as amended) to divide the area into polling districts and to designate a polling place for each polling district. These regulations also require the Council to conduct periodic reviews of polling districts and polling places.
- 3.2 The Electoral Registration and Administration Act 2013 introduced a revised schedule for conducting periodic reviews and required a review to be completed within the period 1 October 2013 and 31 January 2015.
- 3.3 The Council completed a comprehensive review of polling districts and polling places in 2011.
- 3.4 A polling district is a sub-division of an electoral area (ward) into a smaller geographical unit comprising a number of streets/houses.
- 3.5 A polling place is a building or area in which polling stations will be designated by the Returning Officer.

- 3.6 A polling station is defined as the actual room or building where the poll is held.
- 3.7 The local authority is responsible for dividing each electoral area into polling districts and for designating polling places. The Returning Officer is responsible for defining the location of polling stations within a polling place, such as the room or part of the building.
- 3.8 The duties of the council in the review process are two-fold:
- a) To ensure that all the electors in the constituency have such reasonable facilities for voting as are practicable in the circumstances
 - b) To seek to ensure that so far as is reasonable and practicable, the polling places they are responsible for are accessible to all electors, including those who are disabled, and when considering the designation of a polling place, must have regard to the accessibility needs of disabled persons
- 3.9 When designating polling places there are practical limitations such as the availability and suitability of venues that must be considered.
- 3.10 The consideration of changes to constituency boundaries or city council ward boundaries was not in the scope of the review.

4. Representations received

- 4.1 The Returning Officer submitted proposals for substantial changes to the polling districts and polling places (usual polling stations) in respect of St Thomas Ward and reconfiguration of the polling district boundaries in the northern part of Charles Dickens Ward. In addition, a polling place amendment is proposed to both Milton and Paulsgrove Wards.
- 4.2 A summary of proposed changes submitted by the Returning Officer as part of the review are shown in Appendix A.
- 4.3 One further representation was received and a copy of which is at Appendix B. The submission can be summarised as follows:
- a) Councillor Hugh Mason did not propose any changes at the current time for St Jude Ward.

5. Outline of recommendations

- 5.1 Having considered each of the representations received, the following recommendations are made:
- 5.2 That the polling districts in St Thomas Ward are redrawn to reflect the polling places now available and will be configured to include:
- a) A new polling district AA incorporating the western part of the current polling district and extending to include the south-western part of current polling

district AC and the eastern part of polling district AB. The polling place for this proposed polling district is Portsmouth City Museum.

- b) A new polling district AC incorporating the northern parts of the current polling districts AC and AD, plus Edgbaston House from polling district AE. The polling place for this proposed polling district is Somerstown Central.
- c) A new polling district AD incorporating the eastern parts of the current polling districts AA and AC and southern part of polling district AD. The polling place for this proposed polling district is Cottage Grove Primary School.

5.3 The existing arrangements for St Thomas Ward are shown at Appendix C.

5.4 The proposed arrangements for St Thomas Ward are shown at Appendix D.

5.5 That the Frank Sorrell Centre is designated as the polling place for polling district EE (Milton Ward). The facility is spacious, fully accessible and has ample parking available. This is to replace Cumberland Infant School.

5.6 That the polling districts GA, GB and GF in the northern part of Charles Dickens Ward are redrawn so that:

- a) The eastern part of polling district GA is incorporated into polling district GF.
- b) The northern part of polling district GB is incorporated into polling district GF.
- c) The polling place for polling districts GA and GF is designated as the Charles Dickens Activity Centre

5.7 The changes to Charles Dickens Ward will improve the balance of electorate allocated to each polling place and provide more convenient access for residents in the northern part of the current polling district GB by reallocation to polling district GF.

5.8 That Somerstown Central is designated as the polling place for polling district GD (Charles Dickens Ward). This new facility is modern, spacious, fully accessible and more conveniently located within the polling district. This is to replace St Luke's Church Hall.

5.9 The existing arrangements for Charles Dickens Ward are shown at Appendix E.

5.10 The proposed arrangements for Charles Dickens Ward are shown at Appendix F.

5.11 That the polling place for polling district LF be designated as the Hillside and Wymering Centre. Under the previous scheme, the entire polling district was designated as the polling place to allow flexibility during the reconstruction of the former Hillside Youth Centre site. Now that the new facility is fully operational it is appropriate that this be formally designated as the polling place.

5.12 A full schedule of polling districts and polling places incorporating these recommendations is set out under Appendix G.

6. Equality impact assessment (EIA)

6.1 The review of polling districts and polling places takes into consideration matters regarding accessibility as detailed in paragraph 3.8 and the recommendations made in this report are in line with this requirement.

6.2 When designating polling places there are also practical limitations such as the availability and suitability of venues that must be considered.

6.3 A preliminary Equalities Impact Assessment has been completed.

7. Head of legal services' comments

All legal issues are dealt with in the body of the report

8. Head of finance's comments

The above changes are not considered to have any material financial affect to the service. Any additional costs arising from these changes can be met from the existing budget.

.....
Signed by:

Appendices:

Appendix A	Summary of Returning Officer's proposals for changes to polling districts and polling places
Appendix B	Copies of representations received
Appendix C	Map showing the existing arrangements for St Thomas Ward
Appendix D	Map showing the proposed arrangements for St Thomas Ward
Appendix E	Map showing the existing arrangements for Charles Dickens Ward
Appendix F	Map showing the proposed arrangements for Charles Dickens Ward
Appendix G	Proposed schedule of polling districts and polling places

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
Notice of Review of Polling Districts and Polling Places	Election Services Office
Review of Polling Districts and Polling Places - Returning Officer's Proposals	Election Services Office

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

.....
 Signed by:

This page is intentionally left blank

Summary of Returning Officer's proposals for changes to polling districts and polling places

<p>St Thomas</p> <p>That the polling districts in St Thomas Ward are redrawn to reflect the polling places now available and will be configured to include:</p> <ul style="list-style-type: none"> • A new polling district AA incorporating the western part of the current polling district and extending to include the south-western part of current polling district AC and the eastern part of polling district AB. The polling place for this proposed polling district is Portsmouth City Museum. • A new polling district AC incorporating the northern parts of the current polling districts AC and AD, plus Edgbaston House from polling district AE. The polling place for this proposed polling district is Somerstown Central. • A new polling district AD incorporating the eastern parts of the current polling districts AA and AC and southern part of polling district AD. The polling place for this proposed polling district is Cottage Grove Primary School.
<p>Charles Dickens</p> <p>That polling districts GA, GB and GF in the northern part of Charles Dickens Ward are redrawn so that:</p> <ul style="list-style-type: none"> • The eastern part of current polling district GA is incorporated into polling district GF. • The northern part of current polling district GB is incorporated into polling district GF. • The polling place for polling districts GA and GF is designated as the Charles Dickens Activity Centre.
<p>Milton</p> <p>It is proposed that the Frank Sorrell Centre is designated as the polling place for polling district EE replacing Cumberland Infant School.</p>
<p>Paulsgrove</p> <p>It is proposed that the polling place for polling district LF is designated as the Hillside and Wymering Centre.</p>

No changes were proposed for the following wards:

- St Jude, Central Southsea, Eastney & Craneswater, Fratton, Baffins, Nelson, Copnor, Hilsea, Cosham, Drayton & Farlington

This page is intentionally left blank

Representation submission form
Review of polling districts and polling places

30 JUL 2014



Portsmouth
CITY COUNCIL

Review of polling districts and polling places

Your details

Full Name	HUGH MASON
Organisation (if applicable)	COUNCILLOR
Residential Address	32 CHELSEA ROAD SOUTHSEA POS 1NJ
Postal Address (if different to above)	

Your representation

Which ward does your representation relate to?	ST JUDE
Which polling station(s) does your representation relate to?	-

What is your representation?

While it might be sensible at some stage to reconsider the boundaries of the BC polling district, I do not think that the confusion which would undoubtedly be caused would make it sensible at present.

There are a number of minor inaccuracies on the map of St Jude polling districts (eg 9-13 Warsley Rd, 8 Hamilton Rd & 75-79 Clarendon) but these are well known to the councillors.

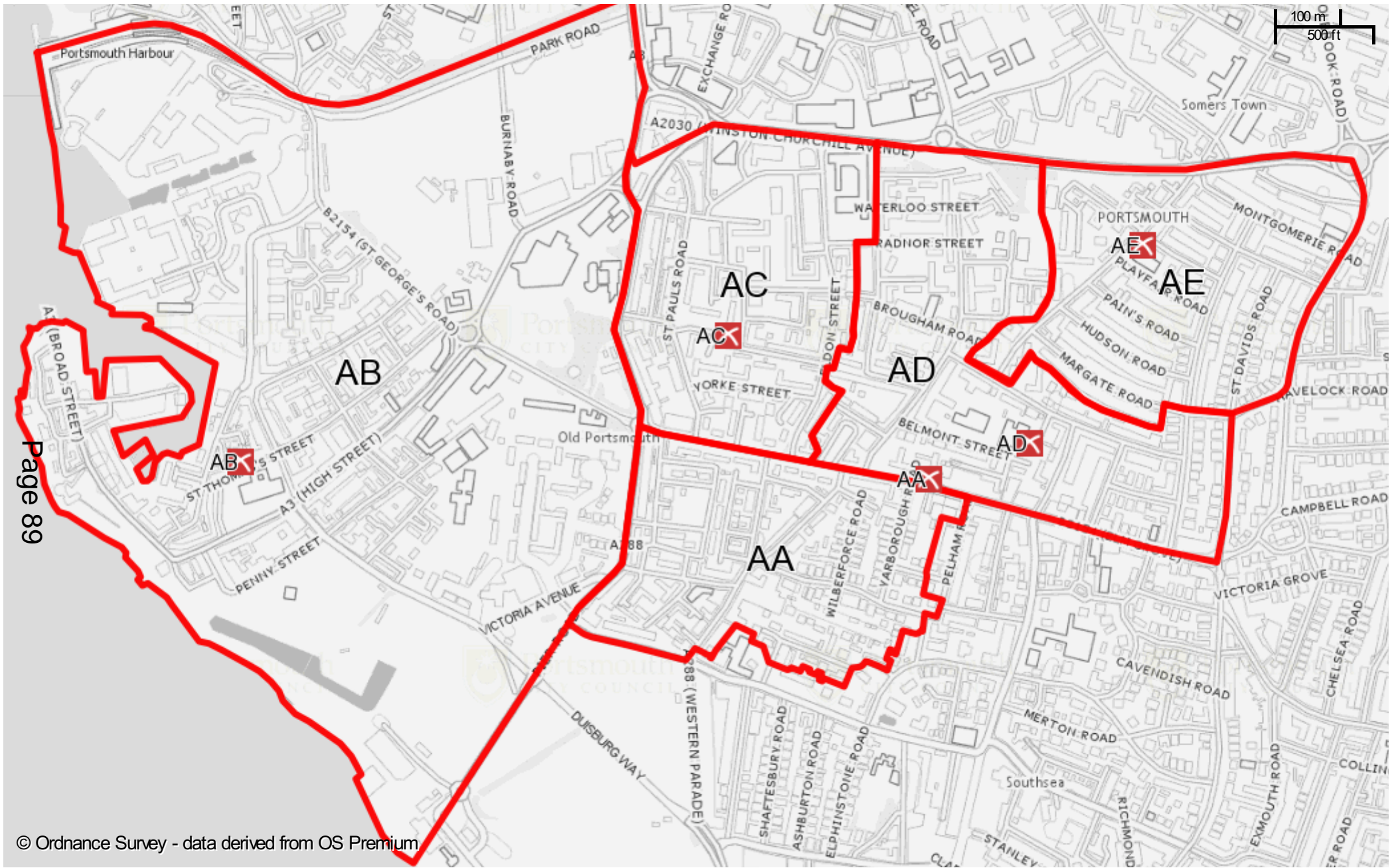
Please continue overleaf if required

Signature	Date
	29. VII . 14

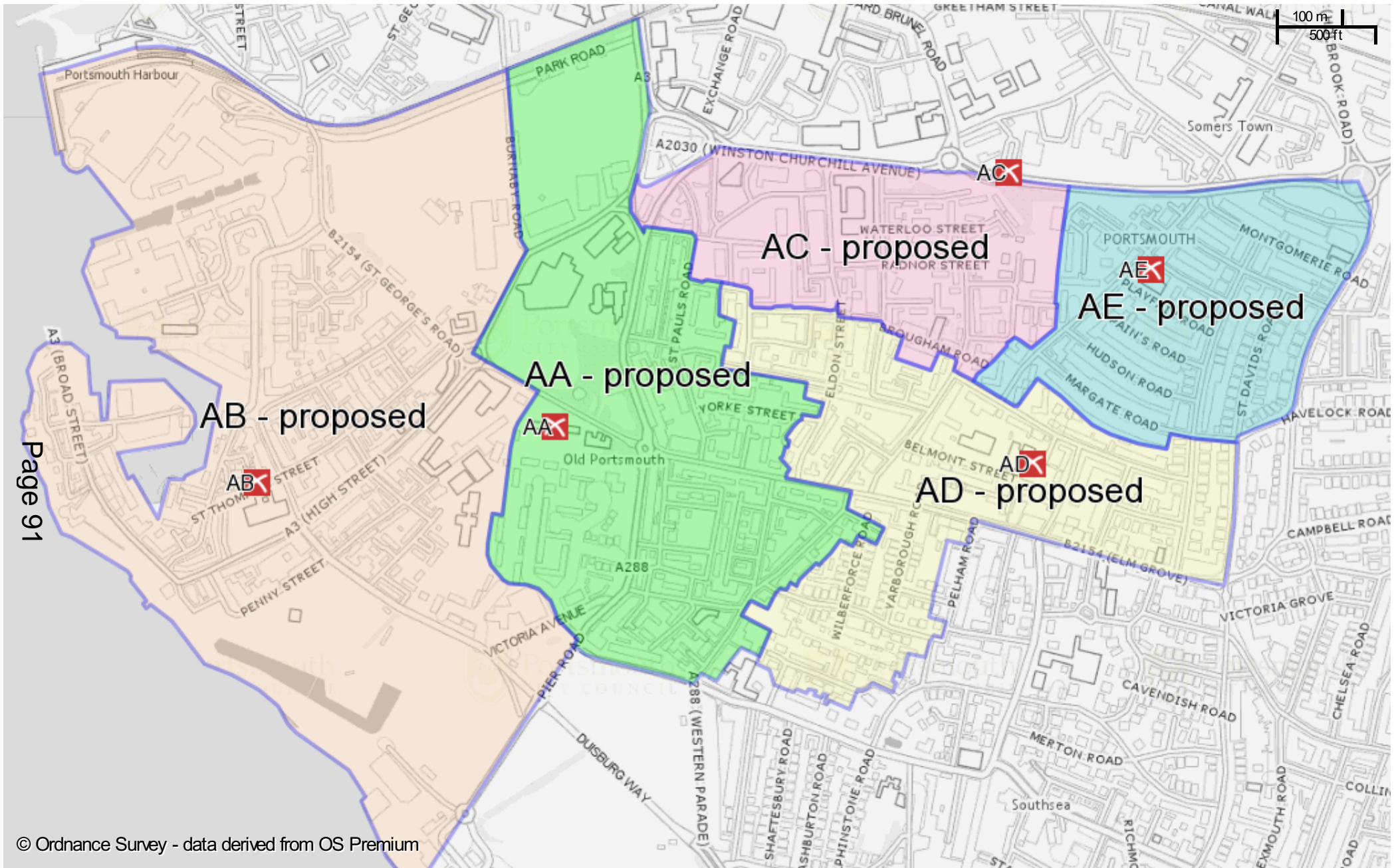
Please be aware that responses to this consultation will be published on completion of the review.

Please return your representation by 5pm, Monday 8 September 2014 to the following address:
Election Services, Portsmouth City Council, Civic Offices, Guildhall Square, Portsmouth, PO1 2QR
or by email to elections@portsmouthcc.gov.uk

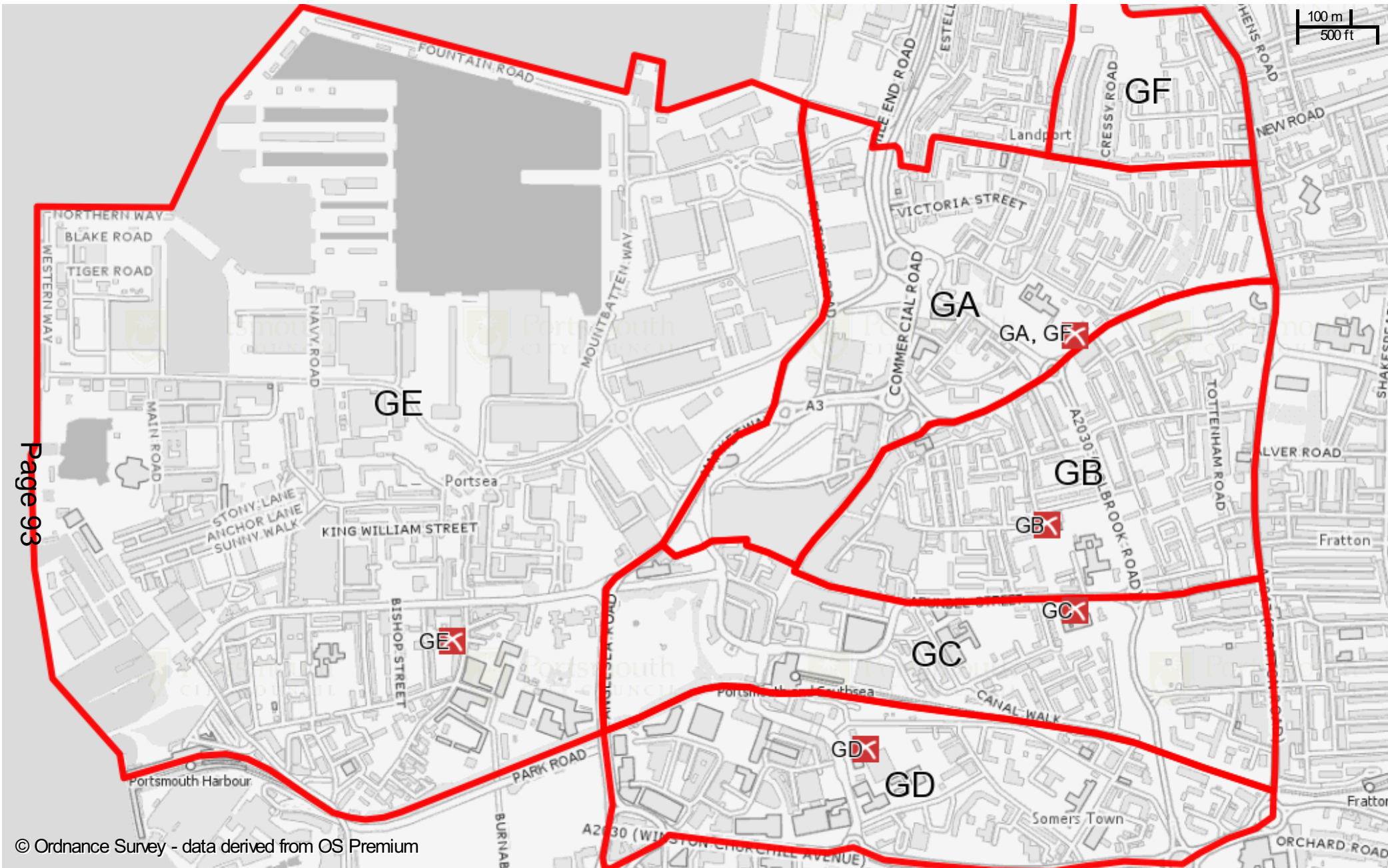
This page is intentionally left blank



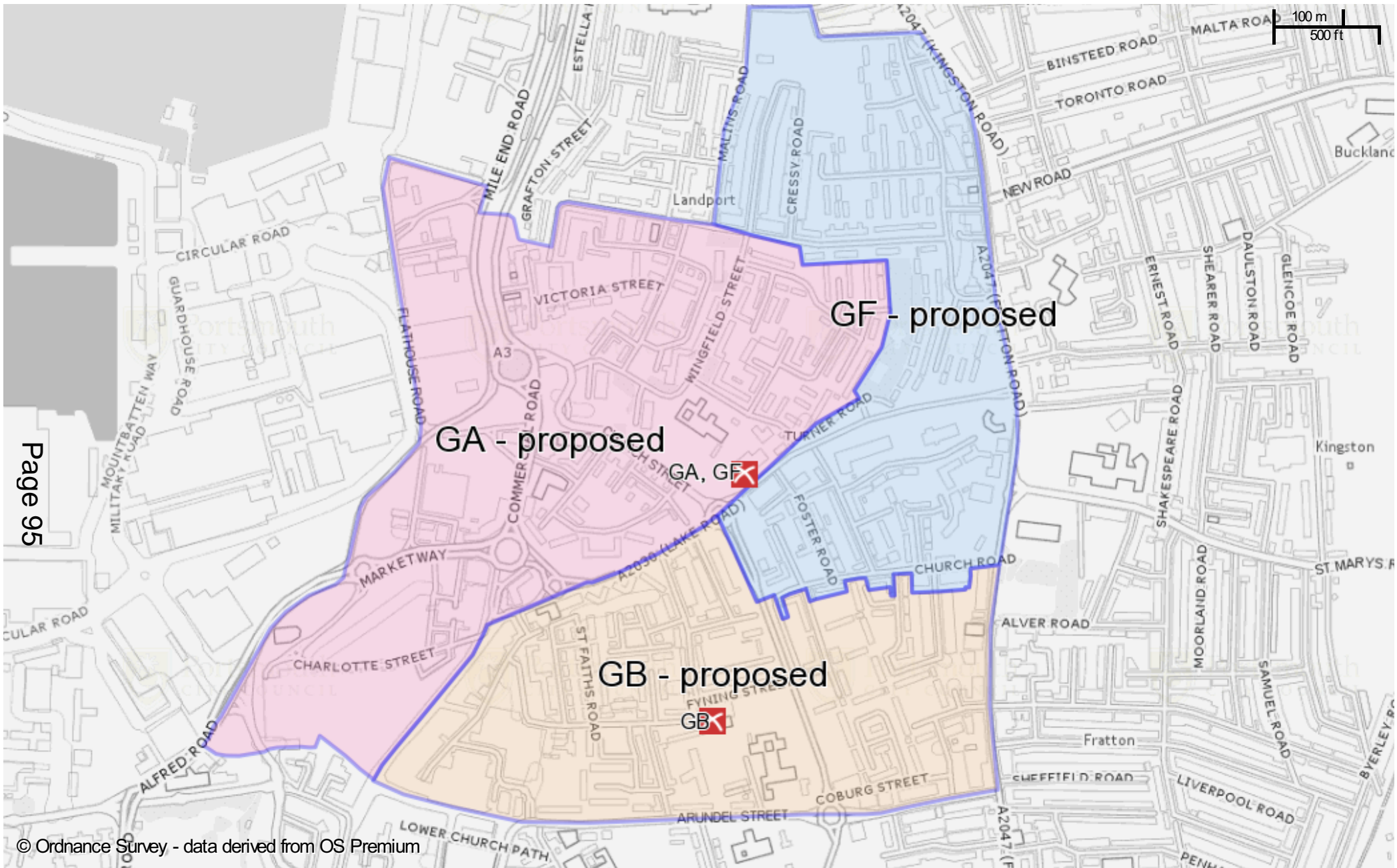
This page is intentionally left blank



This page is intentionally left blank



This page is intentionally left blank



© Ordnance Survey - data derived from OS Premium

iShare printing
Scale: 1:7500

Printed on: 21/7/2014 at 17:29 PM



© Portsmouth City Council License no. 10019671

This page is intentionally left blank

Proposed schedule of polling districts and polling places

St Thomas ward		
Polling District	Polling place	Estimated Electorate 2015
AA	Portsmouth City Museum, Museum Road	2,050
AB	Cathedral House, St Thomas's Street	2,250
AC	Somerstown Central	2,050
AD	Cottage Grove Primary School, Chivers Close	2,300
AE	St Peter's Church Hall, Fraser Road	1,600

St Jude ward		
Polling District	Polling place	Estimated Electorate 2015
BA	St Jude's Church, Kent Road	1,400
BB	St Jude's Church, Kent Road	1,650
BC	Wimbledon Park Sports Hall, Taswell Road	1,450
BD	St Jude's Church, Kent Road	1,900
BE	Southsea Infant School, Collingwood Road	2,650

Central Southsea ward		
Polling District	Polling place	Estimated Electorate 2015
CA	Holy Spirit Church Hall, Fawcett Road	3,050
CB	Fernhurst Junior School, Francis Avenue	3,100
CC	Wimborne Junior School, Wimborne Road	1,800
CD	St Margaret's Parish Centre, Highland Road	1,550
CE	Trinity Methodist Church Hall, Francis Avenue	1,700

Eastney & Craneswater ward		
Polling District	Polling place	Estimated Electorate 2015
DA	Craneswater Junior School, St Ronans Road	1,950
DB	St Simons Church Centre, Waverley Road	2,150
DC	Cricket Pavilion, St Helens Field	850
DD	Eastney Methodist Church, Highland Road	2,100
DE	Eastney Community Centre, Bransbury Park	1,450
DF	Cockleshell Naval Community Centre, Henderson Road	1,250

APPENDIX G

Milton ward		
Polling District	Polling place	Estimated Electorate 2015
EA	Christ Church Milton United Reformed Church, Milton Rd	2,450
EB	Meon Junior School, Meon Road	2,650
EC	Milton Park Junior School, Eastney Road	1,550
ED	Wimborne Junior School, Wimborne Road	1,900
EE	Cumberland Infant School, Methuen Road	2,300

Fratton ward		
Polling District	Polling place	Estimated Electorate 2015
FA	Binstead Community Centre, Langley Road	2,250
FB	Newbridge Junior School, New Road	1,850
FC	St Wilfrid's Church, George Street	2,250
FD	Fratton Community Centre, Trafalgar Place	2,300
FE	Penhale Infant School, Penhale Road	2,100

Charles Dickens ward		
Polling District	Polling place	Estimated Electorate 2015
GA	Charles Dickens Junior School, Turner Road	2,150
GB	St Faiths Church, Crasswell Street	2,350
GC	St Johns RC Primary School, Cottage View	1,056
GD	Somerstown Central	2,698
GE	John Pounds Centre, Aylward Street	2,424
GF	Charles Dickens Junior School, Turner Road	1,750

Baffins ward		
Polling District	Polling place	Estimated Electorate 2015
HA	St Albans Church Hall, Copnor Road	1,150
HB	Baffins Community Centre, Westover Road	3,050
HC	The Stacey Centre, Walsall Road	2,750
HD	Langstone Junior School, Lakeside Avenue	2,550
HE	Moorings Way Infant School, Moorings Way	1,850

APPENDIX G

Nelson ward		
Polling District	Polling place	Estimated Electorate 2015
IA	Stamshaw & Tipner Leisure Centre, Wilson Road	1,550
IB	Stamshaw & Tipner Leisure Centre, Wilson Road	1,700
IC	Stamshaw Infant School, North End Avenue	2,200
ID	St Marks Church Centre, Derby Road	1,600
IE	Isambard Brunel School, Wymering Road	1,550
IF	Buckland Community Centre, Malins Road	1,850

Copnor ward		
Polling District	Polling place	Estimated Electorate 2015
JA	St Nicholas Church Hall, Battenburg Avenue	2,100
JB	Lyndhurst Junior School, Lyndhurst Road	1,700
JC	Isambard Brunel School, Wymering Road	2,250
JD	The Wesley Rooms, Copnor Road	2,600
JE	Anchorage Lodge, Sywell Crescent	1,450

Hilsea ward		
Polling District	Polling place	Estimated Electorate 2015
KA	Northern Parade School, Doyle Avenue	2,100
KB	Northern Parade School, Doyle Avenue	1,700
KC	Howard Road Community Centre, Howard Road	2,250
KD	First Church of Christ Scientist, London Road	2,600
KE	St Nicholas Church Hall, Battenburg Avenue	1,450
KF	The Scout Hut, The Ridings	2,100

Paulsgrove ward		
Polling District	Polling place	Estimated Electorate 2015
LA	Highslopes Community Centre, Carlton Road	900
LB	Victory Primary School, Jubilee Avenue	1,250
LC	Paulsgrove Baptist Church, Woofferton Road	2,100
LD	St Michaels Church Hall, Hempsted Road	2,550
LE	Portacabin, Blakemere Crescent	1,200
LF	The polling district is designated as the polling place	700
LG	Watersedge Sports and Social Club, Southampton Road	1,600

APPENDIX G

Cosham ward		
Polling District	Polling place	Estimated Electorate 2015
MA	Portacabin, Fairfield Square/Hythe Road	1,550
MB	Cosham Baptist Church, Havant Road	2,400
MC	Court Lane Junior School, Hilary Avenue	1,300
MD	St Philips Church Hall, Hawthorn Crescent	3,150
ME	St Peter & St Paul Hall, Old Wymering Lane	2,100

Drayton & Farlington ward		
Polling District	Polling place	Estimated Electorate 2015
NA	St Colman's Church, St Colman's Avenue	1,000
NB	Drayton Institute, Havant Road	2,450
NC	Solent Infant School, Eveleigh Road	2,000
ND	The Sunshine Inn, Havant Road	1,900
NE	Drayton United Church Hall, Station Road	1,550
NF	Court Lane Infant School, Court Lane	1,050
NG	Christchurch Church Hall, London Road	350

Agenda Item 12

Appendix to Council agenda item 12

Breakdown of costs

Whilst we do not have a record of the costs which were incurred by officers in relation to the investigation, the external costs which the Council incurred were £38,236.00

Date	Description	Amount £
January 2013	Advice in relation to possible adjournment of proceedings - Ian Wise QC	1,000
May 2013	Attendance at initial consideration hearing at request of Sub Committee - Ian Wise QC	4,726
September 2013	Further advice including conference to advise Sub Committee - Ian Wise QC	2,600
September 2013	Fee in respect of investigation required by Sub-Committee including all steps up to and including report for Consideration Sub-Committee - Nigel Pascoe QC	18,800
October 2013	Further advice on procedure in relation to a complaint against a Councillor (at request of Sub-Committee) - Elisabeth Laing QC	4,610
March 2014	Attendance at Court to oppose application for third party disclosure Christopher Knight	1,000
April 2014	Applicants costs payable by PCC in respect of third party disclosure application	5,500
		Total: 38,236

Michael Lawther
Strategic Director, City Solicitor and Monitoring Officer

This page is intentionally left blank

Agenda Item 14



Portsmouth CITY COUNCIL

COUNCIL MEETING

QUESTIONS FOR THE CABINET OR CHAIR UNDER STANDING ORDER NO 17

CITY COUNCIL MEETING – 14 OCTOBER 2014

QUESTION NO 1

FROM: COUNCILLOR DARREN SANDERS

TO REPLY: CABINET MEMBER FOR CULTURE, LEISURE AND
SPORT
COUNCILLOR LINDA SYMES

Should the fountain at Baffins Pond be switched back on?

QUESTION NO 2

FROM: COUNCILLOR MATTHEW WINNINGTON

TO REPLY: CABINET MEMBER FOR PLANNING,
REGENERATION AND ECONOMIC DEVELOPMENT
COUNCILLOR LUKE STUBBS

The House of Multiple Occupation (HMO) planning policy as adopted under the previous administration has been very successful in preventing over-development of HMOs in the city. As with every good policy though there comes a time when it needs reviewing to ensure that Portsmouth will continue to successfully block over-development of HMOs. Can the Cabinet Member confirm that he has initiated a review of this policy?

QUESTION NO 3

FROM: COUNCILLOR JOHN FERRETT

TO REPLY: CABINET MEMBER FOR PLANNING,
REGENERATION AND ECONOMIC DEVELOPMENT
COUNCILLOR LUKE STUBBS

The Ben Ainslie Racing project received a £1.4 million contribution from Portsmouth City Council. Can the Cabinet Member confirm when this sum will be refunded to the Council by Central Government?

QUESTION NO 4

FROM: COUNCILLOR MICHAEL ANDREWES

TO REPLY: CABINET MEMBER FOR CULTURE, LEISURE AND
SPORT
COUNCILLOR LINDA SYMES

Will the cabinet member for culture and leisure write to Hugh Dennis welcoming him as a new patron of the Kings Theatre and thanking him for his support of the Theatre?

QUESTION NO 5

FROM: COUNCILLOR KEN FERRETT

TO REPLY: CABINET MEMBER FOR TRAFFIC AND
TRANSPORTATION
COUNCILLOR KEN ELLCOME

Can the Cabinet member give the residents of Stamshaw any reassurance that the administration and Planning Department will do all they can to work with TRC (Tipner Regeneration Company) to construct a temporary access road which would take heavy construction vehicles off of residential streets for the next phase of the Tipner redevelopment?

QUESTION NO 6

FROM: COUNCILLOR MICHAEL ANDREWES

TO REPLY: LEADER OF THE COUNCIL
COUNCILLOR DONNA JONES

What does the leader think the role of the council's Flagship magazine is?

QUESTION NO 7

FROM: COUNCILLOR MICHAEL ANDREWES

TO REPLY: CABINET MEMBER FOR PLANNING,
REGENERATION AND ECONOMIC DEVELOPMENT
COUNCILLOR LUKE STUBBS

Does the cabinet member for PRED welcome the reduction in crime and particularly serious crime to very low levels in Palmerston Road and Osborne Road and the work of venues, the street pastors, the police, the NHS and Pubwatch in ensuring this and will he support efforts to secure "Purple Flag" status for the night time economy in Southsea and Portsmouth?

QUESTION NO 8

FROM: COUNCILLOR MICHAEL ANDREWES

TO REPLY: CABINET MEMBER FOR CHILDREN AND
EDUCATION
COUNCILLOR NEILL YOUNG

Will the cabinet member for children and education look to see whether more school places need to be and should be provided at infant, junior and primary schools in Southsea and if necessary bring forward a report to his next decision meeting as how this could be achieved?

QUESTION NO 9

FROM: COUNCILLOR MICHAEL ANDREWES

TO REPLY: CABINET MEMBER FOR TRAFFIC AND
TRANSPORTATION
COUNCILLOR KEN ELLCOME

Will the Cabinet Member for traffic and transport do more to promote the £2 add-on fare to use the Hovertravel bus for those using the Park and Ride and will he work to bring Park and Ride to serve the shopping areas in Southsea in Palmerston Road and Osborne Road?

QUESTION NO 10

FROM: COUNCILLOR MICHAEL ANDREWES

TO REPLY: CABINET MEMBER FOR TRAFFIC AND
TRANSPORTATION
COUNCILLOR KEN ELLCOME

Can the cabinet member for traffic and transport outline the plans and preparation done by the council in case of extreme cold weather, is he confident that the council is well-prepared for such an eventuality and that we have learnt the lessons from previous periods of cold weather and will he ensure that there is up to date information on the council website ahead of there being any cold weather so that residents know which routes will be gritted and cleared and other information on steps to take in the eventuality of cold weather?