
NOTICE OF MEETING

CABINET MEMBER FOR RESOURCES

THURSDAY, 17 JULY 2014 AT 10.00 AM

CONFERENCE ROOM A - CIVIC OFFICES

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CABINET MEMBER FOR RESOURCES

Councillor Lee Mason (Conservative)

Group Spokespersons

Councillor Hugh Mason, Liberal Democrat

Councillor David Horne, Labour

Councillor Colin Galloway, UK Independence Party

(NB This Agenda should be retained for future reference with the minutes of this meeting.)

Please note that the agenda, minutes and non-exempt reports are available to view online on the Portsmouth City Council website: www.portsmouth.gov.uk

Deputations by members of the public may be made on any item where a decision is going to be taken. The request should be made in writing to the contact officer (above) by 12 noon of the working day before the meeting, and must include the purpose of the deputation (for example, for or against the recommendations). Email requests are accepted.

AGENDA

- 1 **Apologies for Absence**
- 2 **Declaration of Members' Interests**
- 3 **Local Welfare Assistance Scheme, April 2015-March 2016 (Pages 1 - 16)**

The purpose of the report is to provide the Resources Portfolio holder with

- Information about the demand for local welfare provision in Portsmouth since April 2013;

- Proposals showing where some of this provision could be absorbed into existing resources in the future;
- Information on where gaps in provision might be in April 2015;
- Options for provision of local welfare assistance for Portsmouth residents for the year April 2015 - March 2016.

RECOMMENDED that the Resources Portfolio Holder approves the proposal to provide £90,000 for 2015/16 as matched funding to the EC Roberts 'Fresh Start' bid to the Big Lottery Fund.

4 Portsmouth Compact Update Report (Pages 17 - 46)

The purpose of this report is to enable the Cabinet Member for Resources to note the changes to the Portsmouth Compact and to approve the Council's continued commitment.

RECOMMENDED that the Resources Portfolio Holder
(1) notes the changes to the Compact,
(2) approves the Council's continued commitment and
(3) signs the Portsmouth Compact Agreement.

5 Budget Outturn 2013/14 - Revenue Cash Limits and Capital Programme (Pages 47 - 60)

The purpose of the report is to inform the Cabinet Member and Opposition Spokespersons of:

- The outturn revenue expenditure for the year compared with the cash limited budget.
- The outturn capital expenditure against the capital programme for the Resources portfolio.

RECOMMENDED that the content of this report be noted.

Agenda Item 3



Portsmouth
CITY COUNCIL

Agenda item:

Title of meeting: Resources Portfolio
Date of meeting: 17th July 2014
Subject: Local Welfare Assistance scheme, April 2015 - March 2016
Report by: Head of Revenues & Benefits
Wards affected: All
Key decision (over £250k): No

1. Purpose of report

This report provides the Resources Portfolio holder with:

- Information about the demand for local welfare provision in Portsmouth since April 2013;
- Proposals showing where some of this provision could be absorbed into existing resources in the future;
- Information on where gaps in provision might be in April 2015;
- Options for provision of local welfare assistance for Portsmouth residents for the year April 2015 - March 2016.

2. Recommendations

It is recommended that:

The Resources Portfolio holder approves the proposal to provide £90,000 for 2015/16 as matched funding to the EC Roberts 'Fresh Start' bid to the Big Lottery Fund.

3. Background

Following the transfer of Community Awards & Crisis Loans from the Department of Work and Pensions (DWP) to local government in April 2013, Portsmouth City Council (PCC) commissioned Northgate to provide its local welfare assistance scheme.

Northgate manage the provisioning of goods (such as furniture and white goods) for the scheme through Family Fund from companies such as Argos & Euronics. Northgate have provided a fully managed service since April 2013, which is contract managed by PCC.

In 2013/14 the scheme spent just under £440K on Community Awards & Crisis Awards, including £27K allocated directly to Food Banks in the city. In addition, it costs around £100K per annum for Northgate to administer the scheme.

The funding provision for 2014/15 is £570K for Community Awards & Crisis Awards. In addition, £81K has already been paid in advance to Northgate for provision of the managed service.

There will be no separate allocation of funding to local authorities for local welfare assistance from April 2015 (the Government announced this at the end of 2013).

The scheme has seen significant demand in relation to people in financial crisis in the city. A pro-active partnership is in place with relevant agencies in the city who work with vulnerable people (for example with resettlement and homelessness services). This provision has made a notable difference to the lives of our more vulnerable residents.

This suggests that without some funding from PCC there will be gaps in provision from April 2015 (even allowing for the maximisation of existing community resources), which may incur increased costs to public services longer term.

This proposal would enable people applying for local welfare assistance to make the necessary transition from the level of support they have received since April 2013 to a reduced level of affordable support from April 2015.

4. Portsmouth's Local Welfare Assistance Scheme - Summary of Provision April 2013 - March 2014

Please see Appendix A for statistics on the current scheme usage.

The application process ensures that all other forms of provision that may be available in the community have been explored before making a local welfare assistance award.

Over 40% of funding was spent on 'improving the living conditions' of vulnerable people already in their own homes - i.e. people with vulnerabilities such as physical or mental health issues, facing exceptional pressures etc.

As demonstrated by the data, over 30% of all funding for 2013/14 was spent on resettlement issues, including vulnerable people leaving hostels, hospital, institutions or prison who have no money and require furniture and white

goods such as a fridge and a cooker, in order to set up home within the community.

Nearly 10% of all awards granted have been in relation to people fleeing domestic abuse situations, which will include elements of emergency daily living expenses and also furniture, white goods, clothes etc. in order to set up home. There would be a deep concern from professionals should this support to leave abusive relationships no longer be available, particularly with the number of vulnerable children involved.

The Roberts Centre Resettlement Service has been a key referrer to the Local Welfare Assistance Scheme.

Please see Appendix C for case studies that demonstrate some key areas of need that have been met within the scheme. It sets out what the outcomes would have been, both for the individual and in terms of further costs to public services, had that provision not been available.

5. Analysis of need in the city - maximising existing resources and addressing the gaps

Need

An analysis has been completed around the current LWAS provision and the highest and most frequent levels of need met by the current provision.

This tells us that the main areas requiring funding so as to avoid longer term costs to public services centre around:

- a) Resettlement for people with complex needs - to provide basic items and funding to enable people coming out of hostels and institutions to re-settle in the community.
- b) Support to help people with complex needs remain in the community - to ensure that the most vulnerable residents in particularly difficult situations can maintain the basic standards for day-to-day living.
- c) Crisis funds for people faced by sudden emergencies such as fire, flood or fleeing domestic violence.

If these needs are not met, vulnerable people will almost certainly fail in either setting up home in the community or in maintaining the most basic, humane level of conditions in the home. This could drive up costs across a range of public services (for example through increased demand at services such as mental health, children's social care, temporary accommodation provision, and debt advice services).

Living without the basic essentials also limits people's ability to seek and sustain employment in order to improve their own circumstances, trapping them in a cycle of deprivation.

Available Resources

The table in Appendix B shows an analysis of current provision in the city in some of these high need areas. Through better partnership working it is believed that a significant amount of the current local welfare assistance provision can be provided through better co-ordination of current community resources, at no additional cost to the Council. This free community provision would be mapped out for agencies working with vulnerable people, so that they can easily identify and signpost people to the relevant resources available.

Gaps in Provision

Although there are clear possibilities for provision of community resources and better partnership working as above, there remain some gaps for the more vulnerable people in the city. This is likely to increase costs to public and voluntary and community sector services without some funded provision.

The table in Appendix B highlights gaps in provision from April 2015.

The options presented below set out possible courses of action, with a recommendation as to the preferred course of action based on our learning from running the scheme to date.

6. Provision for April 2015 to March 2016 - Options

All future options assume that the Council will cease to use Northgate to manage local welfare provision in the future.

- **Option A - provide nothing**

This option would mean that no identified pathways were made available to either agencies working with people with complex needs, or the wider public, as to how to access support in the situations described in this report.

This approach would mean that no Council officer time or Council resources would be required. However, without identifying some kind of pathway of support for people with complex needs, costs will be driven up across the Council and our wider partners in dealing with the fall out of not providing this assistance, as highlighted in the case studies.

- **Option B – identify pathway of support maximising voluntary provision only, without any Council funding**

This option involves mapping and promoting local provision already in existence, demonstrating the available pathways of support for vulnerable people.

This approach would mean that, apart from officer time around some co-ordination of this, there would not be any other resource implications for the Council.

However, as demonstrated by the table in Appendix B, it would not address the gaps identified for those who are most vulnerable (e.g. those fleeing domestic violence, those with mental health issues etc.).

This would have the same cost implications as Option A, driving up longer term costs across public and voluntary and community sector services.

- **Option C - identify pathway of support maximising voluntary provision, and provide funding for unmet needs**
 - i. **Provide funding to a relevant organisation in the city for the provision of low cost furniture and white goods**

Cost to the Council £250,000

A number of local authority areas have this provision in place, e.g. Southampton City Council has the 'Scratch' Project which takes in second hand furniture and refurbishes it for people coming out of hostels/institutions etc. The second hand furniture provision has been very cost effective (they are able to provide an entire package of second hand furniture to kit out a property for approx. £130). White goods are bought new but at a discounted rate due to bulk purchase. The project also provides employment, training and volunteering opportunities and so represents a more sustainable model with other clear benefits in relation to helping people off benefits and back into work, thus reducing wider poverty.

We have estimated that, whilst not meeting all needs, a project such as this could be targeted at those at the highest level of need and could be run for approximately £250,000 a year. This represents a lower cost scheme than the current rate of spend (£440K in 2013/14).

This option would require the Council to explore options for delivery, which would probably be best contracted out to an organisation that already has experience in running a community project of this nature. This would require a competitive tendering process.

ii. **Provide matched funding for the 'Fresh Start' bid to the Big Lottery**

Cost to the Council from Local Welfare Assistance funds: £90,000

A bid is in the process of being submitted to the Big Lottery Fund for a project called 'Fresh Start' by the EC Roberts Centre, in partnership with the Council's Housing Options service. The bid is to fund a project similar to the Southampton 'Scratch' Project above. The Big Lottery has requested a re-submission of the bid, at a cost of approximately £250,000 and with good evidence around partnership working.

With some matched funding from the Council, the Fresh Start Project would be able to deliver a low cost scheme that would meet the unmet need described in this report and for a fraction of the cost to the Council.

£40,000 matched funding in relation to assets has already been identified within the Council (for the provision of a van to collect and deliver furniture packages). In addition, the Council is exploring how it can support the project through the provision of warehouse facilities, as possible matched funding, for storage of furniture and white goods. The provision of furniture and white goods from 'void' Council properties is also being explored.

This option requests one off 'matched' funding of £90,000 for the year 2015/16 funded through LWAS underspend in 2014/15.

This would have no impact on savings requirements or cash limited budgets for 2015/16. The funding could be used to ensure that the project met the Council's requirements.

In broad terms, the proposal is to use the £90,000 as follows:

- £50,000 to buy white goods (to avoid the issues around refurbishment of white goods). The Fresh Start Project would administer and deliver the required provision;
- £30,000 to provide for crisis/emergency need and furniture packages (not white goods), purchased through Fresh Start by the person in need - Fresh Start will offer a reduced rate for these people;
- £10,000 to cover the costs of Council officer time for co-ordination.

The bid needs to be submitted in July and so a decision is being sought from members in order to meet this timeline. Committing to this matched funding as part of the Fresh Start bid, and supporting the bid with our knowledge and data around local welfare provision, would effectively mean that the bid would be much more likely to succeed.

Providing funding of £90,000 a year and bringing in an additional £250,000 per year funding from the Big Lottery would achieve excellent value for money, and ensure that the need for local welfare provision is met.

7. Recommendation

Option [Cii] is recommended.

It demonstrates good value for money - it is a low cost option which enables the provision of a scheme which can meet the needs identified in this report, thus reducing longer term costs to the public purse. Funding would be through 2014/15 underspend and therefore would not impact on 2015/16 savings.

8. Equality Impact Analysis (EIA)

A preliminary impact assessment has been performed that shows there are no equality issues in this report.

9. Legal implications

There are no legal implications in this report.

10. Head of finance comments

The current forecast underspend on the 2014/15 budget provision, for Community and Crisis awards, is estimated to be £140,000 (including the administration cost of the scheme). This projected underspend is in line with the level achieved on the activity in 2013/14. As there is no budget provision to continue this service in 2015/16, it is proposed to utilise £90,000 of the current year forecast underspend, to match fund the Big Lottery bid to bring in an additional £250,000 to support the provision of welfare assistance to residents in 2015/16 and thereby reduce the risk of potential additional costs across the Council and partner services.

Given that there is a level of uncertainty to achieving a £90,000 underspend in 2014/15 at this stage, it will be necessary to ensure that sufficient funds are available within the portfolio reserve at the end of the financial year. Therefore a minimum balance of £90,000 must be retained and not be available for distribution in the current financial year.

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Signed by:

APPENDICES:

- Appendix A 2013/14 scheme usage
- Appendix B Broad Analysis of Current Provision and Gaps
- Appendix C Case studies demonstrating needs analysis

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
None	

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

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Signed by:



APPENDIX A - 2013/14 SCHEME USAGE

Applications	Numbers	Percentage
Total Number of Applications	2,271	N/A
Number of applicants granted awards	697	23.48% of all applications
Trends on paid applications		
Improve Living Conditions <i>(For people who are at a high level of vulnerability e.g. health/mental health issues/exceptional pressures in the home etc.)</i>		40.70%
Domestic Violence <i>(For people fleeing domestic violence who often leave with nothing/need to set up home)</i>		9.50%
Resettling after an institution/homeless accommodation <i>(For people coming out of hostels/hospital/prison/institutions e.g. referrals from Roberts Centre Temporary Accommodation Service)</i>		30.40%
Money Issues (e.g. food/fuel/travel)		14.40%
Emergency Travel		1.10%
Emergency Situation		2.10%
Other		1.80%

Demographics

Gender of applicants	Numbers	Percentage
Male	737	42.77%
Female	986	57.23%
Household Composition		
Couple	64	3.71%
Family	201	11.67%
Lone Parent	555	32.21%
Pensioner	62	3.60%
Single	841	48.81%
Children in the household		
0	967	56.12%
1	342	19.85%
2	226	13.11%
3	116	6.73%



4	54	3.13%
5 - 8	18	1.06%
Disability		
No	389	61.16%
Yes	247	38.84%
Ethnicity		
Any other background	12	1.84%
Asian or Asian British: Any other background	7	1.07%
Asian or Asian British: Bangladeshi	1	0.15%
Asian or Asian British: Chinese	2	0.31%
Black - Black British: African	11	1.69%
Black - Black British: Caribbean	3	0.46%
Black - Black British: Other	4	0.61%
Mixed: Any other mixed background	2	0.31%
Mixed: White and Asian	2	0.31%
Mixed: White and Black Caribbean	5	0.77%
White: Any other background	16	2.45%
White: British	580	38.96%
White: Irish	6	0.92%
White: Gypsy or Irish Traveller	1	0.15%
Age		
16-24	131	20.00%
25-34	206	31.45%
35-44	1520	23.21%
45-54	1120	17.10%
55-64	43	6.56%
65+	11	1.68%

APPENDIX B - Broad Analysis of Current Provision and Gaps

Household goods (resettlement, remain in home)		
LEVEL OF NEED	PROVISION	RESOURCE AVAILABLE
Need household goods but can't afford new full priced goods	-Signpost to range of cheap furniture providers in the city (mapping will result in directory for public/staff)	Available resource
	-Fresh Start Project - access to tiered pricing system for goods (if bid successful)	Availability of resource dependent on success of Big Lottery Fund bid
Need household goods, but could manage this with an affordable loan	-DWP Budgeting Loan -If ineligible, Credit Union Loan (low cost loans)	Available resource
Need household goods and have no means of paying and are vulnerable <i>(People who meet the points criteria and are resettling, leaving hostels/institutions or need to improve living conditions who are vulnerable e.g. health / mental health issues, domestic violence etc.)</i>	-Explore/signpost to any available community resources/national grant giving organisations where relevant/appropriate (e.g. Portsmouth Family Welfare Association, Buttle Trust, Family Fund)	Some available resources, e.g. clothing and bedding for families in need (but limited, and subject to specialised criteria so would not meet the needs of all relevant vulnerable residents)
	-Housing Options Starter Packs to enable those in temporary accommodation provided by Housing Options (i.e. bed and breakfast or the Roberts Centre Temporary Accommodation Service) to move into settled accommodation -Fresh Start Project (if bid successful) - but insufficient goods without PCC funding input	Current Housing Options resource only covers those in temporary accommodation provided by Housing Options moving into settled accommodation Gap in provision (funding need) Other residents meeting the vulnerability criteria are not covered by Housing Options. Funding could provide for the commissioning & provision of furniture and white goods and/or provide matched funding as



		appropriate
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Crisis/Daily Living Expenses		
LEVEL OF NEED	PROVISION	RESOURCE AVAILABLE
No gas/electric and no income and vulnerable	-Gas and electric in the winter through Keep Warm Keep Well grants (possibly through Public Health funding)	Public Health funding (Winter only)
	Portsmouth Community Fund - some limited provision	Some available resource but insufficient for level of need Gap in provision (funding need) Funding would provide for gas and electricity top ups, particularly in the summer (possibility of link too Food Bank provision)
No food and no income and vulnerable	-Referrals to Food Banks -Portsmouth Community Fund (accessed through advice services)	Available resource (but limited/does not meet all vulnerable groups' needs) Gap in provision (funding need) Funding would provide for emergency daily living expenses in cases of crisis (fire/flood/emergency/exceptional pressures)
Domestic Violence needs (travel costs, emergency expenses, replacement goods when fleeing violent home)	-Housing Options can provide assistance with travel costs to prevent homelessness by travelling to a safe location -The Women's Refuge, Early Intervention Project & Housing Options are the key agencies supporting women to escape domestic abuse - none of these services has any resources to meet the additional costs associated with fleeing violence.	Apart from travel costs - no available resource Gap in provision (funding need) In cases of crisis, funding would provide for emergency expenses, and replacing household items & possessions left behind after fleeing a violent home

APPENDIX C - Case studies demonstrating needs analysis

The following case examples demonstrate some of the key areas of need that have been met within the scheme and how the provision has benefited the person(s) in question, and also sets out what the possible outcomes or costs to the public purse might have been, had that provision not been available.

Please note that all cases are redacted to ensure confidentiality.

Miss A (Mental health issues)

Miss A was a single mother, who had been the victim of domestic violence. Her mental health had been severely affected by the abuse. She was helped to flee the relationship by a friend. She then lived with her mother for a long period until she was assisted to apply for accommodation via PCC Housing Options and, due to the severe level of overcrowding at her mother's, an offer quickly followed and she moved in to the unfurnished property.

Her mental state quickly started to deteriorate, due to the pressure of living without beds or the ability to store and cook food. She and her children were all sleeping on one sofa bed in the living room and eating sandwiches and take-aways, which increased their financial hardship. Miss A was awarded beds, a cooker and fridge freezer from the Local Welfare Assistance Scheme. Miss A had no other way of affording these essential items.

Possible outcomes had local welfare assistance not been available:

- Increased pressures on the family could have exacerbated her mental health issues, as well as further debt. The cost of providing treatment and support by Adult Mental health services to one person with depression has been calculated at £1,355.00.
- Had Miss A required specialist debt sessions as a result of the further debt above, this would have cost approximately £110 for 4 sessions (based on current Advice Portsmouth estimates).
- Without assistance to flee and help with accommodation and goods, Miss A could have returned to her abusive relationship which may have led to a possible need for safeguarding/removal of the children. Portsmouth's Multi-Systemic Team has estimated the costs of care as approximately £3,333 per month with an external fostering agency, or £1,625 a month with in-house fostering provision.
- In addition, the costs of responding to domestic abuse, to the local authority, the police and criminal justice system and the NHS, have been calculated as £2,470.00 per incident, while the costs to victims are £818.00, and the human and emotional impact costs are £6,795.00¹

¹ **Supporting public service transformation:** cost benefit analysis guidance for local partnerships HM Treasury (April 2014)

- Miss A would have been unable to remain in the property without the basics, thus causing her to return to an overcrowded situation at her mother's
- Non-provision of the essential items could have caused breakdown of the tenancy, the costs of which have been estimated at £6,680 (2010/11 prices, which cover writing off arrears at point of eviction, costs of repairs and re-letting, administrative and legal costs and the costs of temporary accommodation)²

Mr B (single person leaving supported housing)

Mr B is a single older man, who was living in supported housing. His mental health issues meant that he needed support to manage his medication and increase his confidence to enable him to go out independently. He was eventually nominated for a move into sheltered housing. Mr B's supported housing was fully furnished, he had not lived alone for many years, and his only possessions were clothing, bedding and some small kitchen items. His support worker assisted him to apply to LWAS for an electric cooker, fridge freezer, bed, table and chairs, which he was awarded. He arranged a shopping trip with support, and ordered the items he needed. After receiving his essential items, his confidence increased and his mood improved, which was evidenced in improved social interaction and personal hygiene.

Possible outcomes had local welfare assistance not been available:

- The lack of chilled and frozen food storage would have exacerbated his mental health issues and caused him to spend his money on unaffordable takeaways
- His living style was so poor that it may have resulted in a breakdown of his tenancy - the costs of which have been estimated at £6,680 (2010/11 prices, which cover writing off arrears at point of eviction, costs of repairs and re-letting, administrative and legal costs and the costs of temporary accommodation)
- As his situation deteriorated, he is likely to have required increasing treatment and support from Adult Mental Health Services. As an example, the cost of providing treatment and support by Adult Mental health services to one person with depression has been calculated at £1,355.00.

Miss C (Women's Refuge, fleeing domestic abuse)

Miss C was suffering abuse from her partner. She fled in 2013 and was assisted to access Portsmouth Women's Refuge. She fled her home with nothing, and applied for emergency support for daily living costs, for which she was awarded a small cash sum. She was awarded emergency travel costs to ensure she could maintain the weekend custody arrangement of her children that the Refuge team supported her to establish. She was rehoused from the Refuge as a homeless person, and had been able to collect a few household items but was lacking many essentials. LWAS awarded a fridge freezer, a mini oven, carpet, curtains, a bed and bedding.

Possible outcomes had local welfare assistance not been available:

² **Supporting public service transformation:** cost benefit analysis guidance for local partnerships HM Treasury (April 2014)

- The costs of responding to domestic abuse, to the local authority, the police and criminal justice system and the NHS, have been calculated as £2,470.00 per incident, while the costs to victims are £818.00, and the human and emotional impact costs are £6,795.00³
- Failing to maintain contact, or an unsuitable home environment for children could have led CAF/CASS to recommend reduced contact time between Miss C and her children
- Having built up her confidence to be able to have regular overnight weekend contact, being unable to provide a suitable home environment would have been a major setback

Miss D (childhood illness)

Miss D had seriously ill child who had to spend long periods in hospital and with a poor prognosis. Whilst Miss D was in receipt of various benefits, and whilst financial support was available for her son's trips to hospital, there was no financial assistance available for Miss D to fund her visits to her son in hospital. During the preceding months, Miss D had exhausted all other forms of charitable and grant aid. The Local Welfare Assistance Scheme provided her with travel expenses for 6 weeks to visit her son in hospital over a particularly difficult period.

Possible outcomes had local welfare assistance not been available:

- Miss D would have been unable to visit her son in hospital
- This would have caused unnecessary stress and upset to the family
- The family would also have had to cope with additional debt issues had Miss D tried to borrow money from elsewhere. Had Miss D required specialist debt sessions as a result of this debt, this would have cost approximately £110 for 4 sessions (based on current Advice Portsmouth estimates).

Miss E (supported housing scheme)

Miss E had escaped a violent relationship, leaving all her belongings behind. She was given a place of safety in the Women's Refuge and subsequently in a hostel. Although she saved as much as she could while in the hostel, she was only able to buy beds for herself and her son.

Once she was ready to move on, she was able to move into a council home, and applied to LWAS for a cooker, fridge freezer and washing machine, which were all awarded.

Possible outcomes had local welfare assistance not been available:

- Miss E's support team would have been recommending she remain in hostel, due to the risk of the Council placement failing without the necessary household essentials.

³ **Supporting public service transformation:** cost benefit analysis guidance for local partnerships HM Treasury (April 2014)

- This would have increased the waiting list for supported housing, which increases the costs of temporary accommodation (which costs approximately £230 a week in Portsmouth in either B&Bs or the RC Temporary Accommodation Service), and which also means that parents are not getting the support they need, increasing the risks to their children.
- Had she been required to move on to release the hostel space, she may have resorted to options taken by other supported housing clients, such as unaffordable payday loans, which are not repaid and are rolled over so the level of debt snowballs, or weekly payment stores, where people are encouraged to spend beyond their means without understanding the true cost or the impact this will have on their ability to manage their weekly budget.

Agenda Item 4



Portsmouth
CITY COUNCIL

Agenda item:

Title of meeting: Resources Portfolio Decision Making Meeting

Date of meeting: 17th July 2014

Subject: Portsmouth Compact Update Report

Report by: Preeti Sheth, Head of Integrated Commissioning Unit

Wards affected: All

Key decision: No

Full Council decision: No

1. Purpose of report

The purpose of this report is to enable the Cabinet Member for Resources to note the changes to the Portsmouth Compact and to approve the Council's continued commitment.

2. Recommendations

- 2.1 It is recommended that the Resources Portfolio Holder notes the changes to the Compact, approves the Council's continued commitment and signs the Portsmouth Compact Agreement.

3. Background Information

- 3.1 The Compact is the agreement between government and the voluntary and Community sector, which sets out key principles and establishes a way of working that improves their relationship for mutual advantage. It considers areas such as voluntary and community sector involvement in policy design and consultation, funding arrangements (including grants and contracts), promoting equality, ensuring better involvement in service design and delivery, and strengthening independence.

The Portsmouth Compact was originally launched in 2004. In 2010 the Portsmouth Compact was incorporated into a wider document, the Portsmouth Voluntary and Community Sector Framework. It built upon the foundation of the Portsmouth Compact, which was part of the framework. Following the Corporate Peer Challenge Review in March 2013 a recommendation was made to "*Revisit the compact and use this process to establish rules of engagement both strategically and tactically*" with the measure of success being "*New compact in place.*"

- 3.2 A working group, comprising representatives of the voluntary and community sector and Portsmouth City Council looked closely at the existing Compact and felt that no major changes to the content/principles of the current Compact were considered to be necessary. The following proposals were made and accepted:
- To have the Compact as a stand-alone document (at that time it was contained within the Voluntary and Community Sector Framework Document)
 - To re-brand the document with an updated logo
 - To update links and contact details
 - To include a section on the Public Services (Social Value) Act 2012 ,which has been introduced since the last Compact revisions were made
 - To include a (disputes) resolution flowchart
 - To promote Commissioning Plans. By working together the sectors can support the development of both policy and the commissioning process.
- 3.3 A report was taken to the Resources Portfolio decision making meeting on 5th December 2013 to update the Cabinet Member for Resources on the revision consultation and re-launch of the Compact

4. The Consultation Process

- 4.1 The Table below shows the consultation process with key dates and actions

Date	Action
02/12/13	The full 12 week consultation period started. A draft revised Compact was produced by the working group and the consultation was publicised and promoted via the following means: <ul style="list-style-type: none"> • PCC External Mailing to the VCS • PCC Internal Networks • PCC Website and Intranet • PCC Staff Bulletin "In the know" • Community Action in Portsmouth also promoted via their regular newsletter their website and their networks
02/12/13	An on-line survey was produced, with a request that comments should be submitted by Monday 24 February 2014.
05/12/13	A report was taken to the Resources Portfolio decision making meeting to update the Cabinet Member for Resources
11/12/13	A consultation event was held
20/02/14	A consultation event was held
24/02/14	The 12 week consultation period finished
27/02/14	The Compact Working Group met on 27 th February to consider the feedback from the consultations and to incorporate the proposed changes into the revised Compact
01/04/14	The revised document was circulated on 1 April 2014 for final comments
17/04/14	Closing date for final comments on the revised document
23/04/14	The Compact Working Group met to finalise the document.

09/06/14	Portsmouth Voluntary and Community Network Executive Committee agreed to support the revised Compact and approved the continued commitment to the Compact
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As can be seen in the table above a full twelve week consultation period started on 2nd December 2013. This is in line with Compact recommendations. 6 responses were received via the on-line survey and a further 4 responses were received directly from PCC staff.

Two consultation events were held. Both of these events were open to both statutory and voluntary sector representatives and provided an opportunity, in a relaxed setting, to find out more about the approach to refreshing the Compact in the city, potential changes and updates, as well as to ask any questions. A total of 23 people attended the events and their comments were noted for consideration by the Compact Consultation Review group.

The Integrated Commissioning Unit (ICU) at PCC met as a team to discuss the draft revised Compact and submitted their comments to the review. As commissioners, ICU staff work closely with Voluntary and Community Sector organisations that provide services on behalf of PCC and they were able to contribute constructively to the process.

- 4.2 Following the end of the consultation the Compact Working Group finalised the document, taking into account comments and suggestions made (Appendix 1). Terms of Reference for a Compact Reference Group (Appendix 4) were also prepared and this group will devise a rolling work plan to fulfil its objectives listed under 'purpose', part of which will be to host 3 providers seminars a year, facilitated by PCC. The membership of this group will consist of at least 4 representatives from the VCS who will be nominated by PVCN.

A copy of the revised document, together with supporting documents, is appended to this report. (Appendices 1-4)

5. Next Steps

- 5.1 The ownership of the revised Portsmouth Compact sits with Portsmouth Voluntary and Community Network (PVCN). The Voluntary Sector Team, who are based in the Integrated Commissioning Unit, lead on the Compact on behalf of PCC. The PVCN met on 9th June 2014, when the executive committee agreed to support the revised Compact and approve the continued commitment to the Compact by signing the Portsmouth Compact Agreement.
- 5.2 The revised compact will be promoted within the Voluntary, Community, Social Enterprise and Statutory sectors and organisations will be encouraged to sign the Portsmouth Compact Agreement, committing to support the principles and undertakings of the Compact and its supporting documents.

6. Equality impact assessment (EIA)

6.1 An equality impact assessment is not required as the recommendations do not have a negative impact on any of the protected characteristics as described in the Equality Act 2010.

7. Legal comments

7.1 The review to the Compact was conducted through appropriate consultation with key stakeholders. However, it is important to ensure that the proposed changes and any service change arising from it are scrutinised at the appropriate time to ensure that decisions are carried out within legal requirements.

8. Finance comments

8.1 There are no financial implications arising from the recommendations in this report.

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Signed by:

Appendices:

1. The Portsmouth Compact
2. Compact Glossary of Terms
3. Portsmouth Compact Agreement Form
4. Terms of Reference for the Portsmouth Compact Reference Group

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
The Compact	Voluntary Sector Team
The Portsmouth Voluntary and Community Sector Framework	Voluntary Sector Team

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

.....
Signed by:

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Commitment to Partnership Working in Portsmouth

The Portsmouth Compact outlines how the relationship between local statutory sector and the voluntary, community and social enterprise sector can work more effectively to strengthen communities and improve people's lives. While there are many differences between the statutory and voluntary sectors, which must be acknowledged and respected, the sectors have much in common.

In particular, the statutory sector and the voluntary, community and social enterprise sector share a common set of principles, which are at the heart of what they are both trying to achieve. The Compact articulates these shared principles into a way of working together in effective partnerships to sustain the legacy of voluntary, community and social enterprise groups in Portsmouth.

These principles have been created to help the local statutory sector and voluntary, community and social enterprise organisations build relationships and work together effectively in partnership. These principles make it clear that the Portsmouth Compact is not a set of rules, but a way of working that can help deliver real outcomes and improvements for people and communities. The Portsmouth Compact puts these shared principles into practice. This is a Compact designed to work for the City. The implementation of the Compact principles will be monitored by elected representatives within the City.

Shared principles for working together:

Respect: Statutory and voluntary, community and social enterprise organisations are accountable in different ways, but all need to act with transparency and integrity. Effective partnerships are built on mutual understanding and an appreciation of the difference between partners of the Compact.

Honesty: It is only through open communication that strong partnership can be built and maintained. Full and frank discussions should be the basis for resolving difficulties.

Diversity: The statutory sector and the voluntary, community and social enterprise sector value a thriving civil society, which brings innovation and choice through a multitude of voices.

Planning: There needs to be an organised way forward in which to ensure the statutory

and the voluntary, community and social enterprise sectors can play a full part. This needs to take into account the risks, liabilities and ways that all parties are accountable and operate within the law.

Equality: Fairness for everyone, regardless of their background, is a fundamental goal and the statutory and voluntary, community and social enterprise sectors will work together to achieve this.

Civic Empowerment: By working together, the statutory and voluntary, community and social enterprise sectors can deliver change that is built around communities and people, meeting their needs and reflecting choices.

Volunteering: The energy and commitment of people giving their time for the public good contributes to a vibrant society, and should be recognised and appreciated.

The Portsmouth Compact Commitments

INVOLVEMENT IN POLICY DEVELOPMENT

Organisations across the City have expertise in many areas, often because they work directly with people and groups on the ground. This allows them to understand the needs of their beneficiaries and provide new and effective answers to problems. Involving and consulting the voluntary, community and social enterprise sector can help statutory authorities develop policies that meet the needs of people and communities.

By working together the sectors can support the development of both policy and the commissioning process. This includes a range of methods – from informal engagement to full-scale public consultation.

Commitments for statutory sector

1. When to involve

Involving the voluntary, community and social enterprise sector in policy development at the earliest stage possible will allow the statutory sector to get the most out of the process. This will lead to more effective policies and programmes being developed.

Statutory sector endeavours to:

- 1.1 Involve the voluntary, community and social enterprise sector from the earliest stages of policy development, on all relevant issues likely to affect it.
- 1.2 This can include empowering voluntary, community and social enterprise organisations to start discussions within affected communities themselves.
- 1.3 Inform the sector of progress in developing policy.
- 1.4 Identify and be aware of implications for the voluntary, community and social enterprise sector when assessing the impact of new policies, legislation and guidance.

2. Who to involve?

Spending time and resources helping voluntary, community and social enterprise organisations makes their voices heard and helps ensure that their knowledge can contribute to policy development.

Statutory sector endeavours to:

- 2.1 Support the development of voluntary, community and social enterprise sector infrastructure. Infrastructure bodies enable voluntary, community and social enterprise organisations to help people and communities effectively, through services such as capacity building, representation and other forms of support.
- 2.2 Identify and remove barriers, such as language barriers and unnecessary bureaucracy, which may prevent voluntary, community and social enterprise organisations from contributing to policy development.
- 2.3 Encourage and facilitate responses from the full range of voluntary, community and social enterprise organisations that are likely to have a view.
- 2.4 Identify and acknowledge where there are costs to voluntary, community and social enterprise sector organisations as a result of partnership work with the statutory sector and offer support where possible. This can be especially important for infrastructure bodies that are helping to organise or run consultations.

3. How to involve?

Voluntary, community and social enterprise organisations can provide stronger and better-informed responses if the consultation methods used are suited to the purpose and audience, and if enough time is given for people to respond. Either formal or informal consultation methods may be appropriate depending on the circumstances and on the type and size of organisations.

Statutory sector endeavours to:

- 3.1 Avoid compromising or undermining the independence of voluntary, community and social enterprise organisations (whatever financial or other relationship exists between them).
- 3.2 Give as much notice as possible of forthcoming consultations so that organisations can plan ahead.
- 3.3 Publicise consultation exercises widely and make sure they are accessible to the people they are intended to reach.
- 3.4 Use a variety of different consultation methods and explain the reasons for selecting them.
- 3.5 Clarify which matters are open to change as a result of the consultation and which are not. Provide feedback to explain how respondents have influenced policy decisions, including where respondents' views have not been acted upon.
- 3.6 Allow enough time for voluntary, community and social enterprise organisations to involve people who use their services, beneficiaries, members, volunteers and trustees in preparing responses.
- 3.7 Conduct written consultations, within proportional and reasonable timeframes.

Commitments for the voluntary, community and social enterprise sector

4. Effective Involvement

When the voluntary, community and social enterprise sector engages actively in policy development, it helps build the statutory sector's trust in the sector, establishing valuable links between the two sectors and encouraging the statutory sector to commit

actively to listening to the views of the voluntary, community and social enterprise sectors.

Voluntary, community and social enterprise sector endeavours to:

- 4.1 Involve people using their services, beneficiaries, members, volunteers and trustees when preparing responses to consultations.
- 4.2 Give feedback to everyone involved in responding to the consultation, on what response will be presented to the statutory sector and what the outcomes are.
- 4.3 Be clear about whose views are being represented and what those views are. This includes explaining whether views have been gathered directly (and from which stakeholders), or whether the response is based on the organisation's own knowledge and experience of the issues.
- 4.4 Make sure all research and information that is presented to the statutory sector is accurate and credible. Explain where the information comes from and if there is conflicting evidence.
- 4.5 Be aware of the consulting organisation's obligations under the Freedom of Information Act 2000. Where appropriate, respect the confidentiality of information that has been supplied by the statutory sector for the consultation.
- 4.6 Promote statutory sector consultations across the voluntary, community and social enterprise sector, where appropriate.
- 4.7 Understand that, with justification, short-time frame consultations may need to take place.

ALLOCATING RESOURCES

Organisations working across the City are in a good position to understand what people want and how their needs can be met. By working together and co-designing programmes, government and voluntary, community and social enterprise organisations can deliver policies and programmes that are built around communities and individuals, meeting their needs and reflecting their choices.

(This section reflects good practice in commissioning, and is relevant to the entire commissioning cycle. For more information and resources information about good practice in commissioning please go to the [Compact Voice website](#).)

Commitments for statutory sector

5. Planning

Involving voluntary, community and social enterprise organisations in designing new programmes and services, and focussing on results, can help the statutory sector provide the right resources, identify risks and solutions, and achieve better outcomes. When carried out appropriately, this does not affect competitive neutrality.

Statutory sector endeavours to:

- 5.1 Plan new programmes and services with a focus on outcomes, providing scope for innovation wherever possible.
- 5.2 Work with voluntary, community and social enterprise organisations to understand public service reform.
- 5.3 Begin planning programmes and services well in advance of the expected start date, based on open consultation. Ensure that those voluntary, community and social enterprise organisations that are likely to have a view on the

programme or service are involved from the beginning.

6. Choosing finance and funding options

Choosing the most appropriate funding mechanism will help to secure the most appropriate organisation to deliver the outcomes.

Statutory sector endeavours to:

- 6.1 Consider different ways of funding organisations. Methods include grants, procurement, loan finance, training, and use of premises or other support. Ensure that the size and scale of the funding arrangement reflects the project's objectives and attracts those organisations best placed to deliver the required outcomes.
- 6.2 Apply the Compact when distributing European funding. Where conflicts arise with European regulations, discuss the potential effects and possible solutions with the voluntary, community and social enterprise organisations.

7. Application and bidding processes

A well-managed application process that is proportionate to the desired objectives will encourage a diverse range of organisations to apply, helping to ensure that the most appropriate organisation is found for the role.

Statutory sector endeavours to:

- 7.1 Ensure that application documents are:
 - Publicised widely when appropriate.
 - Proportionate to the nature of the risk and amount of funding being allocated.

- Contain enough information to allow organisations to make informed decisions.

7.2 When appropriate consider the use of direct awards.

7.3 Allow enough time for organisations of all sizes to apply, as well as for consortia and partnership working bids.

7.4 Be clear about how bids will be assessed.

7.5 Make decisions on the basis of best value. This may include taking into account the wider community benefits at the award stage or when identifying procurement needs.

7.6 The statutory sector will take into account the [Social Value Act](#) when carrying out the commissioning cycle.

8. Understanding costs

Funding bodies have an interest in ensuring that organisations can manage and administer their activities effectively. Quality support functions are vital to achieving this.

Statutory sector endeavours to:

- 8.1 Recognise that it is appropriate to include reasonable relevant overhead and administrative costs in applications.
- 8.2 Accept the recovery of reasonable costs associated with volunteering, such as managing volunteers and reimbursing expenses.
- 8.3 Be consistent across sectors when requesting cost breakdowns from organisations, bearing in mind the need to be proportionate.

9. Making Decisions

Award criteria should be designed to allow the funder to select the provider that is best placed to achieve best value for money, not necessarily in terms of lowest cost, but quality of service and additional value.

Statutory sector endeavours to:

- 9.1 Where possible work towards funding for three years or more. If this is not the best way to deliver best value, the statutory sector should explain clearly why alternative funding arrangements will deliver a better outcome.
- 9.2 Make funding decisions and inform organisations at least three months in advance of the expected start date. Any departure from that time-scale should be justified and explained.
- 9.3 Provide constructive feedback to unsuccessful organisations.

10. Agreeing the delivery terms

Agreeing terms in advance ensures a clear and shared understanding of respective responsibilities and allows the organisations involved to focus on delivery.

Statutory sector endeavours to:

- 10.1 Discuss the risks of the project and agree delivery terms. Allocate risks to the organisation(s) best equipped to manage them. Ensure that delivery terms and risks are proportionate to the nature and value of opportunity.
- 10.2 Agree a process for managing quality and performance.
- 10.3 Agree any change in circumstances or variation before signing a financial agreement.
- 10.4 For grants, agree how any under-spend will be managed.

11. Making Payments

Payment terms which suit the type of service and the organisation involved will increase the likelihood of the desired outcomes being achieved.

Statutory sector endeavours to:

- 11.1 Make payments in advance of expenditure where there is a clear need and where there is a financial business case to do so. This may be particularly relevant for grants.
- 11.2 Make payments automatically via BACS and/or cheque promptly.

12. Monitoring and reporting

Appropriate monitoring reduces costs, time and resources for both parties, and means that time and effort can be focussed on delivering results.

Statutory sector endeavours to:

- 12.1 Discuss and agree how outcomes will be monitored before a contract or funding agreement is signed.
- 12.2 Be clear about what information is being requested, why, and how it will be used.
- 12.3 Ensure that monitoring and reporting is proportionate to the nature and value of the opportunity. Focus on evidence that is meaningful to the beneficiaries of organisations, as well as to funders.
- 12.4 Consider how service users and other stakeholders can be involved by getting their perspective of performance.
- 12.5 Aim to standardise monitoring and reporting arrangements.
- 12.6 If a project is encountering problems, discuss and agree a timetable of actions to improve performance before making a decision to end a financial relationship.

13. Concluding a financial relationship

It is important to plan ahead for the end of funding, in order to reduce its negative impact on the people involved, the stability of the voluntary, community or social enterprise organisation and future partnerships.

Statutory sector endeavours to:

- 13.1 Assess the impact on beneficiaries, service users and volunteers before deciding to reduce or end funding.
- 13.2 Where there are restrictions on future resources, discuss the potential implications as early as possible with voluntary, community and social enterprise organisations.
- 13.3 Give a minimum of three months' notice in writing when ending a funding relationship or other support and provide a clear rationale for why the decision has been taken.
- 13.4 Give organisations an opportunity to respond to the end of funding and consider the response before making a final decision.
- 13.5 Review programmes and services with relevant voluntary, community and social enterprise organisations to inform future practices.

Commitments for the voluntary, community and social enterprise sector

14. Contribution to planning

When voluntary, community and social enterprise organisations contribute to the planning and design of programmes and services, it helps ensure that they reflect the need of beneficiaries.

Voluntary, community and social enterprise sector endeavours to:

- 14.1 Involve people who use services, beneficiaries, members, volunteers and trustees when designing or reviewing programmes and services.
- 14.2 Provide feedback to contributors on information that is presented to the statutory sector and what the outcomes are.
- 14.3 Be clear about whom they are representing, in what capacity, and on what basis they are making the representation.

15. Making applications and bids

Organisations should ensure that they are eligible to apply for funding and should check the objectives of the funding programme or service are in line with the organisation's mission before applying.

Voluntary, community and social enterprise sector endeavours to:

- 15.1 Be clear on their reasons for bidding or applying to deliver programmes or services
- 15.2 Show that they understand how new funding will impact on their organisation, relate to its mission, and contribute to its income mix
- 15.3 Ensure they have a robust and clear understanding of the relevant overheads and associated costs to include when applying for resources.
- 15.4 Be clear which organisation is the accountable body in a partnership or consortia working arrangement.
- 15.5 Apply Compact principles when sub-contracting to other voluntary, community and social enterprise organisations.

16. Agreeing delivery terms

Delivery and payment terms should be proportionate, in order to ensure that the project can run smoothly and focus on maximising the **outcomes** for beneficiaries.

Voluntary, community and social enterprise sector endeavours to:

- 16.1 Be clear about the risks associated with delivering programmes and services, and agree delivery terms before a contract or funding agreement is signed.
- 16.2 Have appropriate governance arrangements in place and ensure that everyone involved understands and agrees delivery terms.
- 16.3 Be clear about payment terms and, if appropriate, demonstrate why payment in advance is required.
- 16.4 Recognise that it is legitimate for funders to ask for public recognition of their funding.
- 16.5 Have appropriate systems in place to manage and account for finances.

17. Monitoring and reporting

Managing funding effectively requires good monitoring. It promotes better working relationships with funders and ensures that performance is managed properly.

Voluntary, community and social enterprise sector endeavours to:

- 17.1 Understand the monitoring and reporting requirements before a financial agreement is made.
- 17.2 Recognise that monitoring, both internally and externally, is an element of good management practice.
- 17.3 Ensure that systems are in place to deliver the reporting required.

- 17.4 Give early notice to funders of significant changes in management or financial or other risks.
- 17.5 Be open and transparent in reporting.
- 17.6 Demonstrate a culture of learning from feedback to help improve services.

18. When a financial relationship ends

Contingency planning for the end of a contract or grant helps minimise the impact on beneficiaries. Planning in this way can help with long term sustainability.

Voluntary, community and social enterprise sector endeavours to:

- 18.1 Plan for the end of funding to reduce any potential impact on beneficiaries and the organisation.
- 18.2 Contribute positively to reviews of programmes or services to inform future practice.

ADVANCING EQUALITY

Working together for equality

Equality for everyone, regardless of their background, is a core value of our society, shared by the statutory and voluntary, community and social enterprise sectors. Over the last four decades, discrimination legislation and related policy have played an important role in helping to make Britain a more equal society. As both society itself and equality legislation continue to evolve, it is crucial that the statutory and voluntary, community and social enterprise sectors work well together to achieve equality and fairness for everyone.

This section of the Compact recognises the vital role that the voluntary, community and social enterprise sector plays in helping to create a more equal society and sets out commitments that will help both sectors achieve their equality goals.

The law protects people from discrimination on a number of different characteristics, including race, gender, age, sexual orientation, religion or belief, disability and gender reassignment. These are referred to in this document as 'protected characteristics'. The histories and issues facing people who share these characteristics are complex and often unique. This diversity should be understood and respected.

The role of the voluntary, community and social enterprise sector in promoting equality

In order to work towards its equality objectives, the statutory sector values the insight and knowledge of the voluntary, community and social enterprise organisations working at the front line with people who have protected characteristics. These groups have unique experiences and different issues around access to services and involvement in civil society, which should be taken into account in policy making.

Whether or not voluntary, community and social enterprise sector organisations focus their activities on people with a protected characteristic; they can provide a vital role in delivering programmes and services. They also promote community cohesion by giving people the tailored support they need to play a full part in the community.

A good working relationship between the voluntary, community and social enterprise sector and the statutory sector will help to meet the needs of the people they serve or represent and reduce inequality.

The Compact plays a key role in helping this relationship to work, not just through the commitments within this section, but by ensuring that organisations which promote equality are allocated sufficient resources and benefit from effective and relevant policy development, as set out in the other sections of the Compact.

Commitments for the statutory sector

19. Promoting equality and diversity

Promoting equality and diversity is a shared goal of the statutory and voluntary, community and social enterprise sectors.

Statutory sector endeavours to:

- 19.1 Work with the voluntary, community and social enterprise sector towards eliminating unlawful discrimination and promoting equality of opportunity. Put strategies in place to help achieve these aims in line with existing public duties.
- 19.2 Where appropriate, work with organisations in the voluntary, community and social enterprise sector that represent people with protected characteristics, to understand their specific needs and design appropriate services.
- 19.3 Ensure that all voluntary, community and social enterprise organisations, including those that serve people with protected characteristics, have equal opportunities to access statutory funding programmes. This includes access to funds to build capacity, and to prepare and deliver projects.
- 19.4 Be clear about any actions on equality that voluntary, community and social enterprise organisations will be expected to undertake if they are funded to deliver programmes.
- 19.5 If a strategic grant is withdrawn from an organisation serving people with a specified protected characteristic, assess the need to reallocate the grant to another organisation serving the same group.
- 19.6 Work with the voluntary, community and social enterprise sector to identify and remove and

barriers that prevents volunteering by people with protected characteristics.

- 19.7 Continue to ensure that it is free for volunteers to access Disclosure & Barring Service (DBS) Checks.

20. Representation and infrastructure

Both central and local government already support voluntary, community and social enterprise organisations that give a voice to diverse groups. The statutory sector can take some simple steps to improve the effectiveness of engaging these organisations.

Statutory sector endeavours to:

- 20.1 acknowledge that funding for organisations that serve people with only one protected characteristic can promote cohesion
- 20.2 Enable infrastructure organisations representing people with protected characteristics to participate in policy development, consultation or other activities, by supporting them appropriately.
- 20.3 Recognise that groups which involve people with protected characteristics at community level may be small or informal, and engage with these groups in a way that suits their working methods.

Commitments for the voluntary, community and social enterprise sector

21. Promoting equality and diversity

An important way in which the voluntary, community and social enterprise sector can promote equality effectively is by working with the statutory sector on equality issues.

Voluntary, community and social enterprise sector endeavours to:

- 21.1 Take practical action in partnership with the statutory sector to eliminate discrimination, advance equality of opportunity and build community links.
- 21.2 Show committed leadership to promote equality, and where necessary, put strategies in place to achieve it.

22. Representation and infrastructure

Voluntary, community and social enterprise organisations are ideally placed to represent the views of people with protected characteristics. However, it is important that these organisations carry out this role effectively and transparently, and that their activities serve all relevant groups.

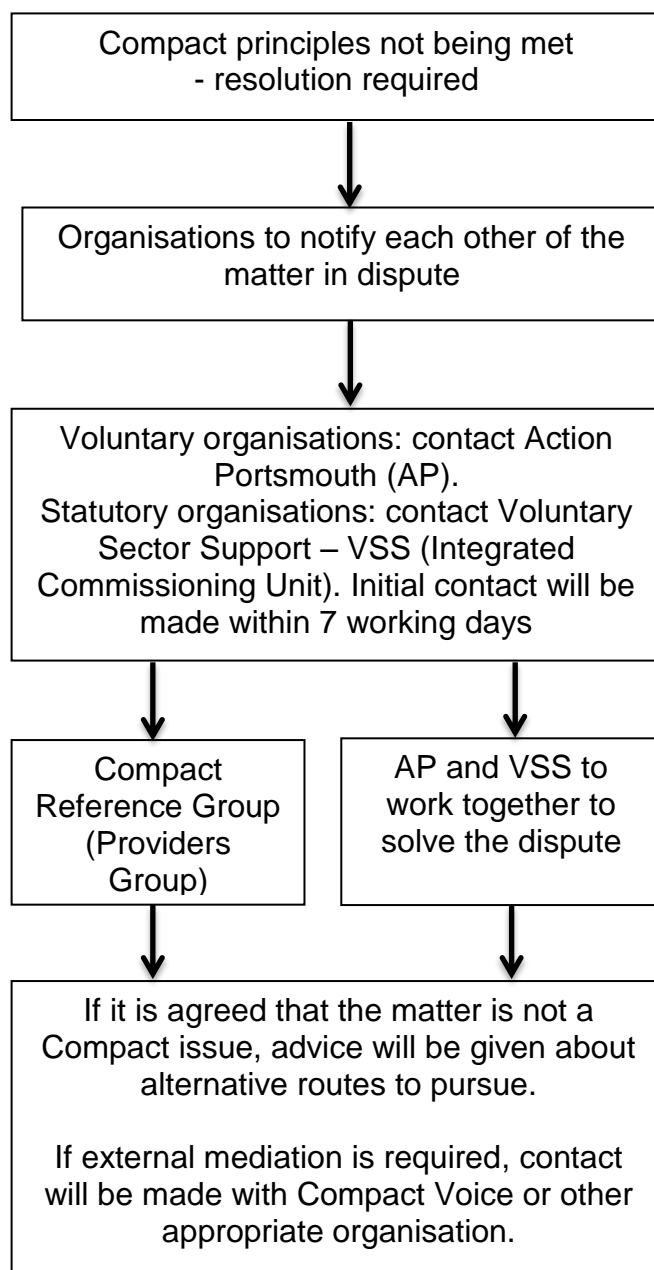
Voluntary, community and social enterprise sector endeavours to:

- 22.1 Be clear on who is being represented and how their views have been gathered.
- 22.2 When selecting representatives from organisations and communities, be clear who they represent and with what legitimacy.
- 22.3 Where appropriate, support infrastructure organisations that can promote the interests of people with protected characteristics.
- 22.4 Identify groups that are in danger of being marginalised, excluded or are currently under-represented in voluntary activity, and put in place measures to promote their involvement.

DISPUTE RESOLUTION

The Dispute Resolution Process has been put in place for Compact Partners to utilise when a dispute arises out of, or in connection with, Compact principles not being met. The parties shall promptly notify each other of the matter in dispute. It should then be referred to either Action Portsmouth or the Integrated Commissioning Unit (Voluntary Sector Support) at Portsmouth City Council (who will liaise with other statutory partners if appropriate), who shall use all reasonable skill, care and diligence to ensure that they receive the views of all parties and consider all solutions proposed, with the objective of resolving the dispute and achieving an agreed solution.

If a solution is not found, it may be appropriate to seek external mediation with bodies including Compact Voice, the Charity Commission or Corporate Complaints. The Dispute Resolution Process should be used for current suspected breaches of Compact principles that have occurred within the previous three months.



Compact Champions

The multi-agency Compact working group will take responsibility for leading on the implementation of the Portsmouth Compact including developing Compact champions. Compact champions will actively promote and monitor Compact application and should be appointed in organisations and service teams.

Voluntary sector liaison lead:

Action Portsmouth

Cathedral Innovation Centre

St Thomas's Street

Old Portsmouth

PO1 2HA

Tel 023 9282 2795

E-mail: hollie.rapp@actionhants.org.uk

Website: www.actionhants.org

Statutory sector liaison lead:

Voluntary Sector Support

Portsmouth City Council

Integrated Commissioning Unit

Great Western House (Floor 2)

34 Isambard Brunel Road

Portsmouth

PO1 2RJ

Tel: 023 9283 4169

E-mail: voluntary.sector@portsmouthcc.gov.uk

National Compact contact details:

Compact Voice

Regent's Wharf

8 Saints Street

London

N1 9RL

Tel: 020 7520 2451

E-mail: compact@compactvoice.org.uk

Web: www.compactvoice.org.uk

The Portsmouth Compact

June 2014

The text is available in large print and other formats, on request.

Useful Definitions

Definitions and Structures in the Voluntary Sector:

There are many terms which are used in the voluntary sector, or relate to different parts of it. Some of them tend to overlap and some are difficult to define concisely. Here is a quick guide to those most commonly used:

The **voluntary sector** - this is an inclusive term for both charities and charitable organisations (not registered as charities), which undertake work of benefit to society. Many voluntary organisations employ staff to undertake a wide range of activities and many are of the size and stature of successful medium-sized businesses, although operating independently for the public good without profit distributing.

The **charity sector** - organisations must meet the strict conditions required for charity registration. Therefore, not all voluntary organisations are charities.

The **community sector** - this is used to include smaller more informal organisations and self-help initiatives at community level.

The **non-profit sector** or **not-for-profit sector** - refers to organisations which use surpluses for the benefit of the beneficiaries through direct grant or investment rather than providing managers or committee members with income. Many organisations do make profits on some of their activities but reinvest these into other community-led work and projects.

The **third sector** - as in 'third', alongside the statutory and private sectors. The third sector would include all of the above.

The **social enterprise sector** - this is a term that is being used more frequently and there are many aspects which link a social enterprise with a charity or a social entrepreneur with a successful voluntary sector leader. The main difference lies in the source of funding and the ability of social enterprises to generate income directly from their activities which have a social purpose, whereas charities usually need some financial support from charitable donations and grants. As with many definitions there can be substantial blurring.

Structures:

Different types of organisations within the sector have to be set up with the appropriate legal structure. There are several types of structure available; here is a quick guide to the most common:

Unincorporated associations: this is a group of people who come together with a common interest or purpose, and will undertake work for the benefit of the public. They are governed by a constitution and managed by a management committee. They are not recognised in law as a legal entity; therefore the liability of members and the governing body is unlimited.

Incorporated associations: this is when the organisation is a company and is recognised in law as a legal entity. The most popular form of a company is a 'company limited by guarantee'. A company is managed by directors and is regulated by Companies House. It can be charitable or non-charitable (if charitable, it will also be regulated by the Charity Commission.) The liability of the governing body is limited, e.g. they are liable for an agreed sum (usually. £1) if the organisation has to wind up.

Charitable Company: this is a limited company with charitable aims. It is an incorporated organisation which means that it has a legal identity separate from its members. In law, a limited company is considered to be a person and it can therefore own land or enter into contracts. The directors are agents of the company and are not personally liable for its debts.

Community Interest Companies (CICs): a CIC is a limited company with special features to ensure that it works for the benefit of the community. It differs from a charitable company in that it can be established for any legal purpose which benefits the community, whereas a charity must have exclusively charitable purposes. A further advantage is that a CIC is subject to lighter regulation than a charitable company. A CIC may not be eligible for funding which is available to a charity. CICs commit their assets and profits permanently to the community by means of an 'asset lock', ensuring that assets cannot be distributed to shareholders. They report to the Regulator of Community Interest Companies. A CIC can not be a registered charity – they will not have the benefits of charitable status, even if their objects are entirely charitable in nature. They have to register at Companies House and with the Regulator of CICs.

Charitable Incorporated Organisation (CIOs): this new form of charitable organisation gives a charity the main advantages of a Charitable Company – a legal personality and limited liability – but it is registered and regulated solely by the Charity Commission. Annual accounts can be kept on a 'receipts and payments' basis (for CIOs with an annual income below £250,000), making them simpler and cheaper than the accruals accounts required of a Charitable Company.

There are many sources of information available regarding voluntary sector legal structures and definitions and terminology. For further information about structures and companies, you can visit the Charity Commission website: www.charity-commission.gov.uk or the Companies House website: www.companieshouse.gov.uk

Statutory / Public Sector Definition:

The statutory sector, often referred to as the public sector, is that part of the economy whose primary concern is to provide the basic government services. In most countries around the world, the public sector consists of services like the military, police, public transport, roads, education, and healthcare services. It has the responsibility to provide services which will benefit all.

Types of Statutory / Public Sector Bodies:

Local Authorities (e.g. Portsmouth City Council - PCC)
Clinical Commissioning Group
Local Health Services
Emergency Services (Police, Fire and Rescue, Ambulance)
Military (e.g. Royal Navy)
Public Transport (e.g. First Group)
Universities / Colleges (HE & FE)

It is recommended that all of the organisations above should be working towards The National Compact and where applicable, register their commitment to The Portsmouth Compact. Where PCC is unable to act as the dispute resolution body for the whole of the statutory sector; we would invite partners to indicate their preferred route of resolution upon sign up to The Portsmouth Compact.



GLOSSARY OF TERMS

Access: The extent to which users are able to participate in or receive the services they want. Accessibility issues include physical access to buildings, opening hours, childcare, availability of interpreters, signers and large print, for example.

Accountable: Expected to report and justify actions or decisions to another party/person.

Accountability: Duty to report and justify actions to others.

Advocate: to put forward a cause; to enable others to present their own views.

Beneficiaries: People who benefit from something or use a service.

Best Value: The duty to deliver services to clear standards – covering both cost and quality – by the most economic, efficient and effective means available.

Black and Minority Ethnic Groups: A group run predominately by people from Black and Minority Ethnic communities for the benefit of the same community.

Capacity: An organisations ability to deliver the demands of a contract or service.

Capacity Building: Activities that ensure individuals, groups and communities have access to the knowledge, skills and resources they need to take action or work efficiently and effectively. This includes: information, training, consultancy, advice and networking.

Civil Society: The part of society that consists of organisations and institutions that are run for the benefit of people, are not for profit and are independent of government. The Office for Civil Society holds responsibility for charities, social enterprises and voluntary organisations in the Cabinet Office.

Commissioning: The systematic process of specifying; securing and monitoring services to meet identified and prioritised needs, including immediate and anticipated needs.

Community: Any group or organisation of people working together who identify with a common concern, interest, issue or place.

Community Cohesion: Promoting greater knowledge, respect and contact between various cultures, and establishing a greater sense of citizenship.

Community Development: Building communities at a local level by linking individuals and organisations working toward common ends. It involves forging and strengthening social ties between people, and developing the Voluntary and Community and Social Enterprise Sector.

Community Group: An informal group or a more formal organisation of people. Community groups are formed to pursue a common interest, meet a shared need or campaign for a common

cause. Most are run entirely by volunteers, and will be run by their members and a committee elected from members.

Community Ownership: Where the community takes responsibility for issues that affect them as a collective group.

Community Right to Challenge: Part of the 2011 Localism Act giving local organisations the opportunity to challenge local authorities to open up service delivery to competition.

Community Sector: A general term to describe small community groups who are typically managed by volunteers, do not employ staff, and do not have regular income or funding. (May also be included within the umbrella term; voluntary sector).

Compact: Compacts are partnership agreements between statutory bodies and the voluntary, community and social enterprise sectors to improve their relationships and provide a framework which enables the sectors to understand what to expect from one another.

Consultation: Providing effective ways for local people, service users and stakeholders to understand and influence decisions and policies that affect them.

Consortium: An association of two or more individuals, companies, organisations or statutory bodies (or any combination of these entities) with the objective of participating in a common activity or pooling their resources for achieving a common goal.

Contracts: Legally binding agreement specifying the services to be provided and the payment made for providing them.

Co-production: The partnerships that government bodies form with citizens, users and voluntary and community sector organisations in order to innovate and deliver improved public service outcomes.

Core Costs: The main costs incurred in running an organisation or services, including management, premises, administration, training, research and Information Technology.

Decommissioning: Applying commissioning principles to cut back or cease services which are no longer necessary or affordable.

Dispute: Misunderstanding or a disagreement between partners, or statutory and the voluntary, community and social enterprise sectors.

Diversity: In this context refers to the range of views, beliefs, values and priorities that exist within the wider community.

Evaluation: The systematic collection of information to judge the effectiveness of activities and outcomes of an organisation, a service or a piece of work. This information is used to reflect on how far it is achieving its aim and to inform decisions about future work, i.e. reviewing the work.

Full Cost Recovery: Full cost recovery provides a more sophisticated approach to funding the Voluntary and Community Sector than the many other approaches that have been used to date. Under full cost recovery, activities are costed to account for all expenditure associated with delivery and overhead costs are shared among different projects. In this way, any additional costs associated with delivering specific service or reaching dispersed users would be incorporated into funding bids as a matter of course, offering a transparent and realistic picture of the true cost of carrying out a project.

Funding: Offers financial assistance to an organisation. Funders could also be individuals providing cash or in-kind support.

Governance: This describes the way an organisation is managed, including its power, responsibilities and decision-making processes. This is often set out in the organisation's constitution or legal identity.

Grant: Non-repayable sum of money given to a voluntary and community organisation. May be given by public body to fund a specific project or service which the voluntary and community organisation will be required to monitor and report on.

Grassroots: Groups or activities run by the people who benefit from them.

Independence: The voluntary and community sector have the right within the law to campaign, to comment on and to challenge government policy and to determine and manage its own affairs.

Infrastructure organisations: Exist to support the voluntary, community and social enterprise sector to achieve its aims.

In-Kind Support: Non-financial support or donations that can be "valued" against project outcomes.

Match-funding: Funds that are set to be paid in equal amount to funds available from other sources.

Milestones: Key events with dates, marking stages in the progress of a project or programme.

Monitoring: The regular collection, and analysis of data to determine outcomes.

Not-for-Profit: To make sure that any surplus unrestricted income is reinvested in the organisation/group as a whole and not distributed to individual shareholders.

Outputs and Outcomes: Outputs measure what was directly produced by a project or programme. Outcomes measure the longer-term changes to an area or the quality of people's lives that were brought about by the project or programme.

Participation: Participation is a process whereby individuals or groups are enabled to play an active role in decision-making processes or activities that are led by another agency.

Partnership: As in an alliance or joint work. A number of groups, organisations and individuals who agree to work towards common aims, objectives and outcomes. Members of a partnership share resources and responsibilities and agree to work together in a co-operative and mutually supportive way to achieve partnership aims.

Payment by Results: The practice of paying providers for delivering services after agreed results have been achieved.

Pre-qualification Questionnaire (PQQ): used to identify potential suppliers that are most capable of performing a contract.

Private Sector: Businesses likely to raise profits from the sale of goods and services.

Public Sector: Also called the Statutory Sector, consisting of bodies regulated and funded through public revenues i.e. hospitals, council, police etc...

Public Services: Public services are those services provided by the government, either directly (through the public sector) or by financing private provision of services, for the benefit of the community, such as fire and police protection, education, waste disposal, health services, street cleaning, etc.

Regeneration: the re-use or redevelopment of decaying or run-down parts of older urban areas to bring them new life and economic vitality.

Representatives: People who are appointed or elected, to put forward the views of others.

Resources: A general term, which can include funding, staff, volunteers, premises, information, assets and equipment.

Service Provider: An organisation that provides a direct service to the public.

Small Group: An organisation with no more than two paid staff, and frequently less. Often run entirely by volunteers.

Social Capital: The social capital of a society includes the institutions, relationships, attitudes and values that govern interactions among people. It contributes to economic and social development. It includes the shared values and rules for social conduct expressed in personal relationships, trust and a common sense of "civic" responsibility that makes a society more than a collection of individuals.

Social Enterprises: These are organisations with objectives that benefit the community. They reinvest any surplus to achieve these objectives, or invest it in community rather than distribute it as profit to shareholders and owners.

Social Exclusion: A term used to describe the negative impact on people's lives of discrimination, poverty, deprivation and a combination of linked problems such as unemployment, poor skills, low incomes, poor housing, high crime, bad health and family breakdown. It can also have a wider meaning, which encompasses the exclusion of people from the normal exchanges, practices and rights of society.

Socially Excluded: People that are affected by social exclusion.

Social Inclusion: The action that agencies such as councils, voluntary and community and social enterprise sector organisations take in order to overcome and combat social exclusion.

Social Investment: A loan or other financial investment that aims to make a positive economic, social or environmental impact in a community.

Social Value: The Public Services (Social Value) Act 2012 requires commissioning authorities to demonstrate how the services to be procured will, improve the social, environmental and economic well-being of the relevant area.

Stakeholders: Any group or individual who can affect or are affected by the achievement of an organisation's objectives.

Statutory Sector: Organisations that have been created through acts of parliament. The law sets out what they do.

Undertaking/Joint Undertaking: A promise made by one or more partners to other partners.

Users: Are the people who benefit from or use a service. They are also called beneficiaries, customers, clients, consumers, and recipients.

Voluntary Organisation: This is a formal non-profit-distributing and non-statutory organisation, usually set up as a charity, which aims to provide a service or meet a need that will benefit the public. Voluntary organisations often have paid employees.

Voluntary and Community Sector (VCS): A general term to describe not-for-profit neighbourhood based groups, communities of interest, faith groups, self help groups, campaigning organisations, voluntary organisations that employ staff, local charities and local branches of national charities.

Volunteering: Volunteering is unpaid and entered into freely for the benefit of others and the environment. People get involved through a process of community engagement. It is not work experience, enforced or entered into in the expectation of reward.

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The Portsmouth Compact Agreement

My organisation: _____

Commits to:

1. Support the principles and undertakings of the Portsmouth Compact and its supporting documents
2. Use them as a framework for reflecting on and adapting its practices and behaviours
3. Create a more open, equal and constructive working relationship between the Statutory sector and the Voluntary Community and Social Enterprise (VCSE) sector in Portsmouth
4. To promote Compact principles and develop better communication between the Voluntary Community and Social Enterprise (VCSE) sector and the Public Sector in Portsmouth

Signature: _____

PRINT Name: _____

Position in organisation: _____

Date: _____

Organisation details:

Address: _____

Telephone: _____

Email: _____

Thank you committing to the Portsmouth Compact

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Terms of Reference of the Portsmouth Compact Reference Group

Purpose of group

To oversee the implementation and further development of the Portsmouth Compact on behalf of the Portsmouth Voluntary and Community Network.

Functions of Group

- To facilitate awareness of the Compact throughout the city in the statutory and in the voluntary, community and social enterprise sectors.
- To facilitate shared learning: to operate a variety of mechanisms to spread learning and best practice throughout Portsmouth.
- To undertake regular review of the Compact to assess its impact, effectiveness and identify further action required.

Membership of Group

- All members will be signed up to the Compact and Commitments.
- The group will comprise of at least one representative from Portsmouth City Council and one member from Action Portsmouth.
- There will be a minimum of 4 representatives from the Voluntary and Community sector, (to represent different types of organisations).
- Representatives will be nominated by the Portsmouth Voluntary and Community Network.
- Other statutory representatives will be asked if they would like to participate in the group upon sign up to the Compact.

Frequency

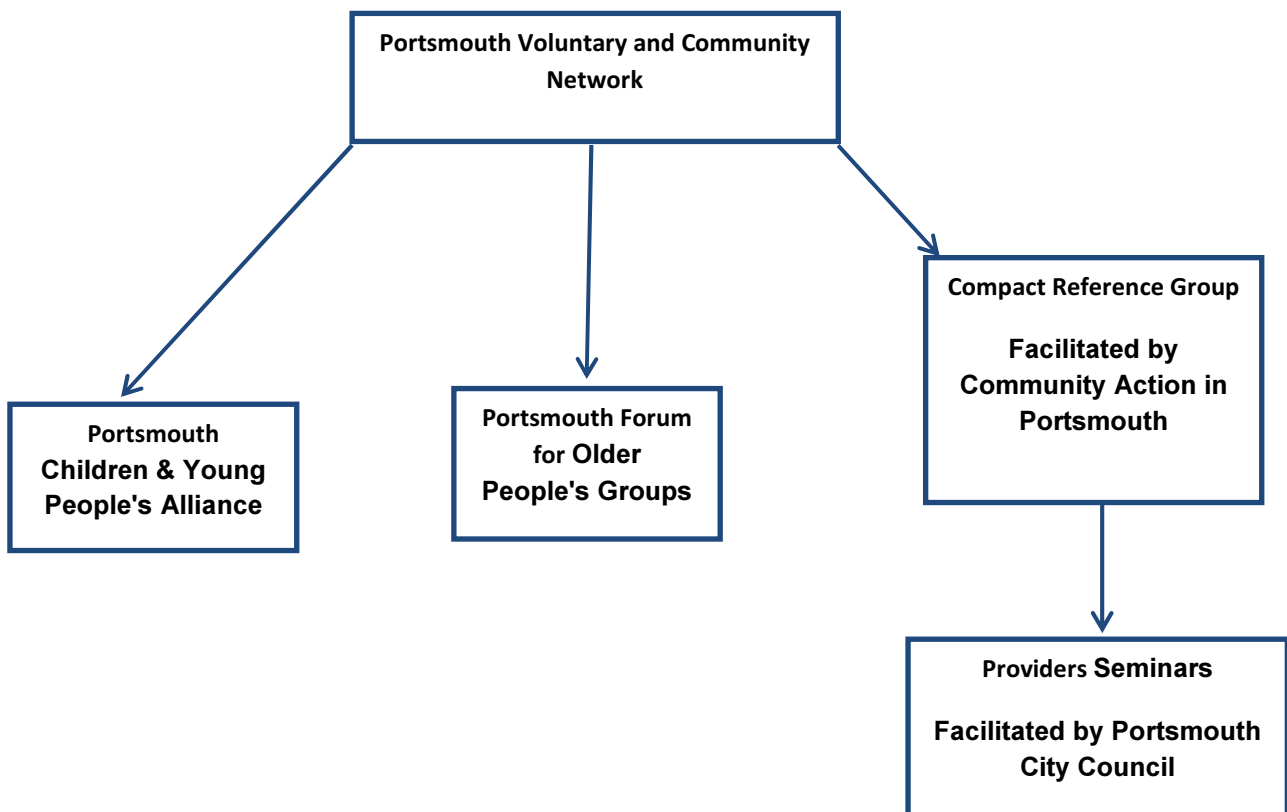
The group will meet at least quarterly, more often if deemed necessary.

Work planning



The Compact Reference Group will devise a rolling work plan to fulfil its objectives listed under Purpose. This plan will include:

- An on-going programme to publicise the Compact and embed it into the working relationships of the voluntary and statutory organisations.
- The facilitation of 3 provider seminars a year
- Overseeing the Commissioning and Procurement plan
- Communicating and providing updates on the progress of the Compact Implementation Plan
- Collating feedback on the impact of the Compact.
- Communicating feedback to Compact partners and the wider sectors through PCC and Action Portsmouth's communication channels
- Reviewing the operation of the Compact, identifying breaches and taking appropriate action
- Overseeing the dispute resolution procedures



Agenda Item 5



Portsmouth
CITY COUNCIL

Agenda item:

5

Decision maker: Cabinet Member for Resources Portfolio

Subject: Budget Outturn 2013/14 - Revenue Cash Limits and Capital Programme

Date of decision: 17 July 2014

Report by: Head of Financial Services

Wards affected: ALL

Key decision: No

Budget & policy framework decision: No

1. Summary

1.1 This report compares the Resources Portfolio revenue expenditure outturn for 2013/14 with its controllable cash limit for that year, and the outturn capital expenditure to the approved capital programme. It provides information to enable an understanding of the reasons for variances.

2. Purpose of report

2.1 To inform the Cabinet Member and Opposition Spokespersons of:

- The outturn revenue expenditure for the year compared with the cash limited budget.
- The outturn capital expenditure against the capital programme for the Resources portfolio.

3. Recommendations

3.1 The content of this report be noted.

4. Background

Outturn 2013/14

	£'000	% of Budget
Total Actual Controllable Expenditure 2013/14	22,583	96.42%
Controllable Cash Limit 2013/14	23,422	
Variance	<u>(839)</u>	<u>(3.58%)</u>

4.1.1.1 Appendices

4.2 An analysis of this Portfolio's variations from the revenue cash limit is attached at Appendix A.

4.3 An analysis of the Portfolio's capital expenditure for 2013/14 is attached at Appendix B.

5. **Managers' Comments**

(Please read in conjunction with the attached Appendix A)

Revenue Expenditure

5.1 The Resources Portfolio revised cash limit reflects changes approved during the year including transfers to and from reserves, carry forward requests and adjustments to inflation.

5.2 The outturn of £22,583,029 compared to a revised cash limit of £23,422,223 indicates a net underspend of (£839,194). This represents a variance of (3.58%) against the revised budget.

5.3 Within the portfolio there are services whose budgets are deemed 'windfall' budgets by the City Council. These services are Rent Allowances, Rent Rebates, Spinnaker Tower, Land Charges, Local Welfare Assistance scheme, Discretionary Non Domestic Rate relief and District Audit Fees. These 'windfall' budgets represent income and expenditure which is demand led and is largely out of the control of the budget managers. Consequently any under or over spending is absorbed corporately. Excluding 'windfall' variances gives a net underspend on the Portfolio of £471,400 (2.01%). i.e.

	£
Total Variance (under spend)	(839,200)
<u>Less</u>	
Rent Allowances / Rebates	(4,200)
Spinnaker Tower	(17,500)
Land Charges	(2,400)
Disc Non Domestic Rate Relief	(159,500)
Local Welfare Assistance scheme	(176,800)
Audit Fees	<u>(7,400)</u>
Net 'controllable' (under spend)	<u>(471,400)</u>

5.4 The reported forecast underspend at Q3 was £337,000.

5.5 The main areas of variance are as follows:

Miscellaneous Expenses - Over spend £33,126

5.6 This budget heading includes various corporate budgets and projects including Feasibility Studies, contribution to PUSH, Village Green registration,, Trade Union secondment, Print & Advertising project and Member Neighbourhood initiatives. Some areas have underspent for the following reasons:

The profile of trade union secondments in terms of staff time and cost was lower than that allowed in the budget.

There has been limited call on the money set aside for feasibility works.

No call on Village Green registration costs in 2013/14

Member Neighbourhood Initiatives options not all taken up

The impact of these underspendings has been offset by a reduction in income on the car purchase loan interest repayments as the scheme nears completion and slippage in the delivery of savings from the corporate print and advertising review. This project is being closely monitored by the Head of Service to ensure it is back on budget in the current year.

HR, Legal and Performance - Under spend £55,158

5.7 Two main factors have contributed to the underspend in this service area;

In house agency use, both across the council and externally, was significantly higher than budgeted, resulting in more income and a higher surplus for the service.

A review of training requirements by the procurement service resulted in the avoidance of significant costs.

Underspends were mitigated to an extent by lower income levels within legal services as a result of shifting resources towards corporate based work, as opposed to income generating activity from outside the general fund.

Financial Services - Under spend £34,679

5.8 Due to on-going savings requirements vacant posts were, where operationally possible held in anticipation of future efficiency requirements

Information Services - Under spend £52,809

5.9 Higher than anticipated staff turnover has resulted in a saving within the employee budget. Despite a successful recruitment campaign centred on key

staff the service still finished the year with a small vacancy saving within its overall budget.

AMS Design, Maintenance and Property Services -Combined Under spend £173,692

- 5.10 During 2013/14 AMS posts relating to business support activities were held vacant pending a staffing review needed to meet future saving requirements, resulting in an accrued underspend of approximately £100,000.

A longer than expected Trainee Surveyor recruitment process resulted in staffing underspends of approximately £26,000 within Property Services.

Rebates of £41,000 on the councils electricity contract were received by the service. The contract operates as a consortium arrangement with local authorities in the South East Region. Due to potential fraudulent activity by a third party, local authorities were effectively over charged during several years of the contracts operation. AMS were able to recover this money from the contract consortium.

Landlords Repairs and Maintenance – Under spend £66,056

- 5.11 A review of planned preventative works resulted in a re prioritisation of activity into 2014/15 and consequently lower costs in the 2013/14 financial year.

Work undertaken by a specific supplier was subject to a valuation exercise resulting in lower costs being invoiced in respect of the work than initially estimated.

Local Taxation - Over spend £40,188

- 5.12 From the start of the 2013/14 financial year council tax benefit was replaced with a local council tax support scheme. The change was made to comply with national legislation regarding benefit reform.

Due to limitations on the level of central government funding for the scheme Portsmouth City Council have tightened the criteria residents must fulfil to obtain council tax discounts.

One consequence of this policy has been an increase in the number of households liable for council tax, which in turn has increased the number of court summons and resultant court fee income. Despite an increase in income from previous years the actual value achieved was lower than anticipated. A further effect of this policy change was higher write offs of debt associated with court fee income.

Benefits Administration - Under Spend £155,969

- 5.13 Due to on-going saving requirements vacant posts were held in anticipation of future efficiency requirements. Only positions deemed to not effect overall

operational efficiency were left open and the service was able to meet its benefit processing targets.

- 5.14 The remaining variations relating to non-windfall items are attributable to various differences on other budget heads that totalled a net over spend of £1,100.

6. Summary

- 6.1 The overall revenue budget outturn position on the portfolio, excluding 'windfall' items is a net underspending of £471,400 representing 2.01% of the total cash limited budget.

- 6.2 In the 2014/15 Budget report approved by City Council on 12 November 2013, Budget guidelines and Financial Rules were updated to enable portfolios to retain in-year underspending in a Portfolio specific earmarked reserve. This reserve will be used, in the first instance, to cover; year end overspendings, budget pressures, contingent items and spend to save schemes. Once these instances have been satisfied, the reserve may be used for other developments or initiatives. The portfolio holder is responsible for approving any releases from their earmarked reserve in consultation with the Head of Finance & S151 Officer.

- 6.3 The underspending on the portfolio for 2013/14 reported here will be transferred to the portfolio earmarked reserve and together with amounts transferred as part of the annual Budget approved by City Council on 11 February 2014, the total value of this portfolios earmarked reserve as at 31 March 2014 is £666,600.

7. Capital Programme

- 7.1 The approved revised capital estimates and actual outturn costs for 2013/14 are summarised in Appendix B.

- 7.2 The revised capital estimate for 2013/14 was £5,436,485 actual expenditure incurred was £3,367,734, an under spend of £2,068,751. This reduction in expenditure is mostly attributable to slippage in estimated phasing of expenditure from 2013/14 to 2014/15.

- 7.3 Higher value schemes where the estimated phasing of expenditure has slipped from 2013/14 to 2014/15 are as follows:

	£
Landlords Maintenance Capitalised repairs	101,500
Project Management	189,000
Landlord Maintenance	320,100
Asset Management system	139,300
Major Repairs to Corporate Property Portfolio	175,600
Merefield House Relocation	119,900
Review of Business Software windows 7	765,600

Sub Total: **1,811,000**

The main reasons for these schemes slipping into the following financial year are as follows:

Landlords Maintenance Capitalised repairs (item 1) – slippage £101,500.

- 7.4 Two schemes were included in the 2013/14 programme to upgrade Civic offices plant and improve the buildings electrical distribution.

Slippage of £92,600 has occurred against electrical distribution works since it could not begin until the IS data centre had been completed. All works are forecast to finish by Sept 2014.

Project Management (item 2) - slippage £189,000

- 7.5 This item was approved in February 2012. It represents a general provision to address any project management shortfall in resources which could inhibit major project delivery, particularly those that support the transformation agenda. All allocations from this budget are subject to approval through the Strategic Directors Board. During 2013/14 no such additional resource was required although it had been anticipated that part of this budget would be called upon to support some of the regeneration project management costs.

Landlords Maintenance (item 3) –slippage £320,100

- 7.6 Landlords Maintenance was approved to fund the cost of essential works critical to maintaining operational buildings or urgent Health and Safety improvements.

Three major schemes described below account for the majority of the £320,100 slippage into 2014/15.

Works valued at £728,000 to replace chiller units within the Civic Offices slipped by £243,800 into 2014/15 due to unforeseen complexities in the design process. Despite this difficulty the scheme reached practical completion by June 2014, in line with the original completion date.

A sum of £46,600 has slipped into 2014/15 to cover retention costs associated with replacement lifts in the Civic Offices and a new heating system within the Central Library.

Asset Management system (item 6) – slippage £139,300

- 7.7 Predominately a software centred scheme to enhance Asset Management capabilities and integrate aspects of AMS work with Financial services.

During 2013/14 difficulties were encountered in creating the interface with financial reporting requirements, which resulted in slippage of the final phase

costs into 2014/15. Recent revisions within the systems test environment indicate that the problem has now been resolved.

Major Repairs to Corporate Property Portfolio (item 7) – slippage £175,600

7.8 Schemes within this budget are identified based on priority of need. During the year an element of re prioritisation is undertaken to accommodate unforeseen requirements. During 2013/14 fifteen discrete schemes were included in the programme, of which nine reached completion. This has resulted in slippage for retention purposes of £45,900.

Major schemes which completed include the Round Tower roof repairs, Cumberland House structural works and the Norrish Central Library water system.

As noted in paragraph 7.6 difficulties associated with the Civic Offices chiller units required a reprioritisation of staffing resource resulting in slippage of £134,500 in respect the following schemes;

- Carnegie Library roof windows and door
- Portsmouth Craft and Manufacturing Centre roof
- Flanking Battery Casemates
- Yellow Kite Café water proofing

Merefield House Relocation (item 8) – Slippage £119,900

7.9 Costs associated with the closure of Merefield House, the relocation of staff and refurbishment of the Civic Offices Customer Access area make the up the majority of expenditure within this budget.

During 2013/14 the scheme reached a stage of practical completion. The remaining budget has been rolled forward into 2014/15 to cover both retention and associated relocation costs for other teams directly affected by the Merefield move.

Any underspend on the scheme will be returned to the centre as a corporate reserve available to support other capital initiatives.

Review of Business Software Windows 7 (item 16) – Slippage £765,600

7.10 This is a rolling programme of upgrade work across all council machines using windows software. It was anticipated that this work would be completed over a two year period and Information Services have achieved this deadline.

Now that the final rollout stage has completed associated network enhancements costing £300,000 will be made.

Since funding for the original scheme was through revenue to capital contribution mechanism agreed with services specifically for this work, any

significant residual amounts will be returned to services through the same formula.

- 7.11 A number of other schemes have completed during the financial year resulting in an under spend of £51,000. These savings will either return to corporate centre or the specific reserve that they originated from.

8 Equality impact assessment (EIA)

- 8.1 An Equality Impact Assessment is not required as there are no proposed changes to services, policies, or procedures included in the recommendations.

9 Legal implications

- 9.1 The City Solicitor has formally considered this report for legal issues.

10 Head of Finance's comments

- 10.1 This report presents the final position on the revenue and capital budgets for the Resources portfolio as at 31st March 2014.

.....
Signed for: Head of Financial Services

Appendices:

- A Revenue Outturn Statement**
- B Capital Monitoring Statement**

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
Service Budget monitoring files	CRS Accountancy team

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by Cabinet Member for Resources on 17th July 2014.

.....
Signed by: Cabinet Member for Resources

FINANCIAL AND SERVICE PERFORMANCE MONTH ENDING 31 MARCH 2013

MONTHLY BUDGET MONITORING STATEMENT - CASH LIMIT 2013/14	
PORTFOLIO	Resources
BUDGET	23,351,223
TOTAL CASH LIMIT	23,351,223
CHIEF OFFICER	Various
MONTH ENDED	March-14

ITEM No.	BUDGET HEADING	Budget Outturn 2013/14			
		Total Budget	Actual Year End Outturn	Variance vs. Total Budget	
		£	£	£	%
1	Miscellaneous Expenses	359,950	393,076	33,126	9.2%
2	HR, Legal and Performance	3,386,592	3,331,434	(55,158)	(1.6%)
3	Transformation Workstream Investment	326,700	326,682	(18)	(0.0%)
4	Customer & Community Services	1,693,350	1,688,570	(4,780)	(0.3%)
5	Grants & Support to the Voluntary Sector	719,200	711,543	(7,657)	(1.1%)
6	Financial Services	4,701,160	4,666,481	(34,679)	(0.7%)
7	Information Services	3,897,366	3,844,557	(52,809)	(1.4%)
8	AMS Design & Maintenance	1,181,600	1,032,984	(148,616)	(12.6%)
9	Property Services	284,000	258,924	(25,076)	(8.8%)
10	Landlords Repairs & Maintenance	1,268,000	1,201,944	(66,056)	(5.2%)
11	Spinnaker Tower	(367,000)	(384,459)	(17,459)	(4.8%)
12	MMD Crane Rental	(385,400)	(385,485)	(85)	(0.0%)
13	Administration Expenses	5,000	3,870	(1,130)	(22.6%)
14	Council Tax Benefits	0	123	123	-
15	Housing Benefit - Rent Allowances	(679,217)	(601,488)	77,729	11.4%
16	Housing Benefit - Rent Rebates	(148,583)	(230,488)	(81,905)	(55.1%)
17	Local Taxation	1,326,300	1,366,488	40,188	3.0%
18	Local Welfare Assistance Scheme	726,200	549,444	(176,756)	(24.3%)
19	Benefits Administration	2,343,600	2,194,637	(148,963)	(6.4%)
20	Discretionary Non-Domestic Rate Relief	179,500	20,000	(159,500)	(88.9%)
21	Land Charges	76,000	73,636	(2,364)	(3.1%)
22	Democratic Representation & Management	1,238,980	1,223,150	(15,830)	(1.3%)
23	Corporate Management	1,288,925	1,297,406	8,481	0.7%
TOTAL		23,422,223	22,583,029	(839,194)	(3.6%)
		23,422,223	22,583,029	(839,194)	(3.6%)

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

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

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RESOURCES PORTFOLIO

Capital Monitoring Statement - 2013/14

Meeting Date : 17 July 2014

APPENDIX B

APPENDIX B

Item No.	Scheme	Source of Finance	Expenditure to 31-Mar-13 £	Revised Budget 2013/14 £	Outturn Expenditure 2013/14 £	In Year Variance Overspending / (Savings) £	Approved Estimate 2014/15 £	Total Approved Budget £	Final Cost £	Total Scheme Variance Overspending / (Savings) £	Progress to Date/ Comments
1	Landlord's Maintenance - capitalised repairs	CorpRsv / CMR	1,279,090	169,453	67,986	(101,467)	0	1,448,543	1,448,543	0	The remaining 2013/14 budget allocation has been utilised to upgrade the Civic Offices plant. Only the Civic Offices Electrical distribution works remain and will be completed in the 2014/15 year.
2	Project Management	CorpRsv	0	189,000	0	(189,000)	94,500	283,500	283,500	0	General Provision to address any project management shortfall in resources which would inhibit the delivery of major projects. Specific allocations are subject to approval through the Strategic Directors Board.
3	Landlords Maintenance 2011/12 and 2013/14	CorpRsv/CP(DCSF)	1,145,577	1,304,482	984,336	(320,146)	544,575	2,994,634	2,994,634	0	Funding allocated for urgent repairs based on the priority of need. Prioritisation of Landlords Maintenance Capital Contingency funded work has resulted in slippage to the 2014/15 financial year. Works on replacement chiller units within the Civic Offices were delayed due to a more complex design process than anticipated.
4	Landlords Maintenance Capital Contingency 2012/13 2013/14	CorpRsv / CRGG	0	338,103	338,103	0	207,897	546,000	546,000	0	Funding approval for essential works critical to maintaining operational buildings. During 2013/14 this funding was used to cover works on the Civic Offices boilers, Portsmouth outdoor centre heating system and the Norrish Central Library ducting.
5	MMD - Capital Loans	UB	3,194,000	250,000	250,000	0	3,500,000	6,944,000	6,944,000	0	Capital loans payable to MMD to finance capital expenditure requirements. Draw down of money for works on new sheds has been profiled to start no earlier than 2014/15.
6	Asset Management System	B	102,133	197,884	58,587	(139,296)	0	300,017	300,017	0	Development work to improve the systems interface with financial reporting work is on-going and has delayed completion until mid 2014/15. Trials within the systems test environment indicate the main obstacles have been overcome.
7	Minor Repairs to Corporate Property Portfolio	CorpRsc/CRGG	876,113	400,858	225,224	(175,634)	0	1,276,971	1,276,971	0	Miscellaneous repair works to PCC properties. Comprises fifteen schemes of which nine have reached completion in 2013/14. Completed elements include; works to the Round Tower, Cumberland House and the Norrish Central Library. 2014/15 will include slippage from 2013/14 to finalise works on the Carnegie Library, PCMI roof, flanking batteries and the Yellow Kite Cafe.
8	Merefield House Relocation and Civic Offices Customer Access Refurbishment	CorpRsv	501,009	129,958	10,056	(119,902)	0	630,967	630,967	0	Relocation of staff , closure and sale of surplus asset. Staff transferred in April / May 2012. The majority of works completed in 2013/14. The remaining budget will cover retention costs and any associated relocation costs for teams directly affected by the initial move from Merefield House.
		RCCO	15,000	1,400	0	(1,400)	0	16,400	16,400	0	RCCO approved from Landlords Maintenance Revenue budget to fund external electrical engineer. Due to resource constraints within the Housing and Property service this expertise is not currently available within the service.
Sub Total :			516,009	131,358	10,056	(121,302)	0	647,367	647,367	0	
9	Dame Judith Prof. Centre - Relocation of Services	CorpRsv CP(DCSF)/CM	56,600 41,076	0 69,324	28,017 0	28,017 (69,324)	0 0	56,600 110,400	56,600 110,400	0 0	Works associated with the closure and disposal of the centre. The majority of works completed in 2013/14. Residual budget to cover retention and final completion stages.
Sub Total :			97,676	69,324	28,017	(41,306)	0	167,000	167,000	0	
10	Replacement of Cash Handling System	CorpRsv	37,088	163,911	88,025	(75,886)	0	201,000	201,000	0	Project was in planning stages through 2011/12 and 2012/13, implementation commenced in 2013/14 with an anticipated completion date of Sept 2014. HRA has provided £75k in funding towards the scheme.
11	Civic Offices Catering - Coffee Shop	CorpRsv	61,293	7,960	0	(7,960)	0	69,252	69,252	0	The View Coffee Shop is open. Further work due in 2014/15 to improve seating area, flooring and storage areas.
12	IS Data Centre Phase 2	RCCO	0	20,000	740	(19,260)	130,000	150,000	150,000	0	Phase 2 of the IS data centre works relate to remodelling of accommodation space following completion of the phase 1 build stage earlier in 2013/14. Approval via MIS 01.11.2013
13	Update of Oracle E-Business Suite (EBS) to Release 12	ODR	355,543	119,461	98,564	(20,897)	0	475,004	475,004	0	Update of Oracle EBS to Release 12.1.3 which is the latest version of R12 available. Completion due in 2014/15
14	Transformation Programme - Customer Management	UB	15,592	76,908	68,533	(8,375)	92,500	185,000	185,000	0	Tender stage has completed, works comprise hardware and software elements. Forecast to complete by early 2014/15.

RESOURCES PORTFOLIO

Capital Monitoring Statement - 2013/14

Meeting Date : 17 July 2014

APPENDIX B

APPENDIX B

Item No.	Scheme	Source of Finance	Expenditure to 31-Mar-13 £	Revised Budget 2013/14 £	Outturn 2013/14 £	In Year Variance Overspending / (Savings) £	Approved Estimate 2014/15 £	Total Approved Budget £	Total Scheme Variance Final Cost / (Savings) £	Progress to Date/ Comments
15	IS Road Map	RCCO	0	120,000	101,940	(18,060)	915,000	1,035,000	1,035,000	Rolling programme of IT infrastructure renewal. The Scheme has been enhanced through a contributions from the IS revenue budget of £550,000. Major schemes include replacement storage area network, software upgrades and improved back up systems.
16	Review of Business Software (windows 7)	CorpRsv ITR	623,675 49,500	910,825 0	145,211 0	(765,614) 0	0 0	1,534,500 49,500	1,534,500 49,500	Upgrade all computers to windows 7 and enhance network capability. General upgrade work concluded in 2013/14, the remaining budget will be utilised to enhance network capability.
Sub Total:			673,175	910,825	145,211	(765,614)	0	1,584,000	1,584,000	0
17	HR Self Serv & I expenses	OR RCCO MTRS	223,209 0 287,468	57,322 0 0	96,582 0 0	39,260 0 0	0 50,000 0	280,532 50,000 287,468	280,532 50,000 287,468	Scheme to further integrate user functionality within the Oracle system around HR and expenses functions. Completion due by mid 2014/15.
Sub Total :			510,677	57,322	96,582	39,260	50,000	618,000	618,000	0
18	Guildhall Capital Works	CorpRsv	687,065	234,857	234,857	0	622,818	1,544,740	1,544,740	Significant capital works undertaken during 2013/14 and 2014/15. Remaining works include; Electrical/ lighting works, refurbished changing rooms, window replacement, various roof replacements, boiler replacement and mechanical works.
19	Revenue and Benefits EDMS replacement	CorpRsv	0	95,000	27,792	(67,208)	0	95,000	95,000	Upgrade of equipment and software used to manage documents within the Revenue and Benefits service. Links with two other schemes within Social Care and Housing. Funding is via an approved revenue carry forward from 2012/13. Slippage into 2014/15 is partly due to elements relating to Social Care completing before Revenue and Benefit related items.
20	Call Recording System	CorpRsv	0	0	0	0	90,000	90,000	90,000	Scheme to replace existing unsupported call recording technology with a replacement system that continues to comply with legislation concerning telephone payments. Scheme is scheduled to complete in 2014/15.
21	Working Anywhere	CorpRsv CP(DH)CG	0 0	0 0	0 0	0 0	912,656 67,344	912,656 67,344	912,656 67,344	Commencing in 2014/15 this scheme aims to equip the council with a suitable ICT infrastructure that will facilitate flexible working. Project is forecast to complete in 2015/16.
Sub Total :			0	0	0	0	980,000	980,000	980,000	0
22	Commercial Letting of Brunel Wing	CorpRsv CP(DCSF)CM	0 0	0 0	0 0	0 0	591,227 8,773	591,227 8,773	591,227 8,773	Creation of an autonomous Brunel wing suitable for commercial letting. This scheme will commence and complete in 2014/15. The scheme includes core 5 lift upgrade, infrastructure, door access systems and furniture.
Sub Total :			0	0	0	0	600,000	600,000	600,000	0
23	World War 2 Memorial Guildhall Square	CorpRsv OC	0 0	0 0	0 0	0 0	27,000 70,000	27,000 70,000	27,000 70,000	Scheme is currently underway with names A through to S in place. Portsmouth City Council has contributed £30,000 to the scheme with the remaining costs funded through on-going fundraising.
Sub Total :			0	0	0	0	97,000	97,000	97,000	0
24	PSN CoCo Compliance	CorpRsv	0	0	0	0	192,000	192,000	192,000	Scheme to comply with the Public Sector Network (PSN) Authority requirements for authorities that connect to secure government systems.
25	Replacement Emergency Generator	CP(DCSF)CM	0	0	0	0	145,000	145,000	145,000	Installation of a new generator to ensure safe operation of key services based in the civic offices.
26	Civic Office Ducting	CP(DCSF)CM	0	0	29,515	29,515	120,000	120,000	120,000	Scheme to clean ductwork, realign dampers and reconfigure ducts in problematic areas. Work commenced earlier than anticipated and will be funded from the 2014/15 budget allocation.
27	Super Connected Cities	OC	0	33,392	33,392	0	0	33,392	33,392	Provision of a high speed broadband service to local businesses through a voucher scheme. Funding is from central government. The majority of 2013/14 costs relate to set up and administration.
On-going Schemes Total			9,551,031	4,890,098	2,887,462	-2,002,636	8,381,290	22,822,419	22,822,419	0

Item No.	Scheme	Source of Finance	Expenditure to	Revised	Outturn	In Year	Approved	Total	Total Scheme	Final Cost	Variance / (Savings)	Progress to Date/ Comments
			31-Mar-13	Budget 2013/14	Expenditure 2013/14	Overspending / (Savings)	Estimate 2014/15	Approved Budget	Final Cost			
			£	£	£	£	£	£	£	£	£	
Completed Schemes Total			4,646,764	546,387	480,272	-66,115	0	5,193,151	5,142,105	-51,047		
GRAND TOTAL			14,197,796	5,436,485	3,367,734	(2,068,751)	8,381,290	28,015,570	27,964,524	(51,047)		

Key for Sources of Finance:			
CorpRsv	Capital Receipts	ITR	IT Capital Reserve
RCCO	Revenue Contribution to Capital Outlay	CROC	Pooled Other Contributions
RCCO(Prev)	Revenue Contribution to Capital Outlay (Previous)	CRGG	Government Grants Corporate Resource
UB	Unsupported Borrowing	PR	Parking Reserve
B	Supported Borrowing	OR	Other Reserves
OC	Other Contributions	CP(DCSF)/CM	External Grant - Capital Maintenance
OCRec(HRA)	Other Contributions (Housing)		

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