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# NOTICE OF MEETING

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## CABINET MEMBER FOR RESOURCES

THURSDAY, 22 OCTOBER 2015 AT 10.00 AM

THE EXECUTIVE MEETING ROOM - THIRD FLOOR, THE GUILDHALL

Telephone enquiries to Vicki Plytas 023 9283 4058

Email: Vicki.plytas@portsmouthcc.gov.uk

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## CABINET MEMBER FOR RESOURCES

Councillor Lee Mason (Conservative)

### Group Spokespersons

Councillor Colin Galloway, UK Independence Party

Councillor Hugh Mason, Liberal Democrat

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(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](http://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 Declaration of Members' Interests
- 2 Apologies for Absence
- 3 Revenues and Benefits Penalties (Pages 1 - 4)

To seek approval from the Cabinet Member for Resources to undertake consultation on imposing fixed penalties to residents who fail to notify Portsmouth City Council within a prescribed timescale, of a relevant change in their circumstance which may result in a reduction to their benefit or an increase in their chargeable Council Tax.

**RECOMMENDED that the Cabinet Member for Resources agrees that**

**consultation takes place on the implementation of fixed penalties as permitted under the provisions of the Local Government Finance Act 1992 and the Social Security Administration Act 1992, whereby anyone who intentionally or knowingly fails to notify the Council of any change affecting Council Tax Liability or the Local Council Tax Support Scheme or Housing Benefit may be liable to a fixed penalty fine.**

**4 Utilities Management Capital Project (INFORMATION ONLY) (Pages 5 - 6)**

The purpose of the report is to update the revisions to the proposed project list for the Utilities Management Capital Programme and update on project progress.

**5 Super Connected Cities (INFORMATION ONLY) (Pages 7 - 16)**

The purpose of the report is to update the Cabinet Member on the Super Connected Cities Programme and the potential opportunities afforded by the new wifi infrastructure deployed in the City.

**6 Monitoring of the First Quarter 2015/16 Revenue Cash Limits and Capital Programme (INFORMATION ONLY) (Pages 17 - 26)**

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

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

**RECOMMENDED that the content of the report be noted.**

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



**Title of meeting:** Resources Portfolio

**Date of meeting:** 22<sup>nd</sup> October 2015

**Subject:** Revenues & Benefits Penalties

**Report by:** Director of Community and Communications

**Wards affected:** All

**Key decision:** No

**Full Council decision:** No

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## 1. Purpose of report

- 1.1. To seek approval from the Cabinet Member for Resources to undertake consultation on imposing fixed penalties to residents who fail to notify Portsmouth City Council within a prescribed timescale, of a relevant change in their circumstance which may result in a reduction to their benefit or an increase in their chargeable Council Tax.

## 2. Recommendations

- 2.1. That the Cabinet Member for Resources agrees that consultation takes place on the implementation of fixed penalties as permitted under the provisions of the Local Government Finance Act 1992 and the Social Security Administration Act 1992, whereby anyone who intentionally or knowingly fails to notify the Council of any change affecting Council Tax Liability or the Local Council Tax Support Scheme or Housing Benefit may be liable to a fixed penalty fine.

## 3. Background

- 3.1. The Council has powers under the Local Government Finance Act 1992 (Schedule 3) to impose civil penalties to those charge payers who wilfully neglect to inform the Council of changes which affect their Council Tax liability.
- 3.2. The Council has powers under the Social Security Administration Act 1992 to impose civil penalties, however this would only be used where the person has not been charged with an offence or cautioned, or been given a notice under section 11a, in respect of the overpayment.
- 3.3. The Council has a responsibility to deliver value for money and a duty to protect taxpayers money. Evidence from other Local Authorities who have introduced these schemes demonstrates that the introduction of a penalty scheme

encourages customers to notify the Council of changes in a speedier manner thus saving money through the administration of overpayment recovery.

- 3.4. It is important to distinguish the difference between the appropriateness of imposing a fixed penalty versus those cases managed under the Detection of Fraud and Enforcement Regulations. Where it is clear that the behaviour of the charge payer warrants a criminal investigation that action will still take place.
- 3.5. It is proposed that the consultation considers whether the Council should impose a £70 fixed penalty when a charge payer fails to report a change in the following circumstances within 21 days and has not provided a reasonable explanation for the delay.

The authority may impose a penalty of £70 where a person:

1. fails to notify the authority, without reasonable excuse, on any matter which affects entitlement to discount.
2. fails to notify that their dwelling is no longer an exempt dwelling.
3. fails to notify the Authority that they are jointly liable for the tax.
4. fails to supply relevant information requested in order to establish liability.
5. fails to supply relevant information requested after the issue of a Liability Order has been obtained. Failure to supply could lead to a criminal prosecution and a fine.

Where a penalty has been imposed under (5) and a further request to supply the same information is made, a further penalty of £280 may be imposed for each subsequent failure, provided:

- it is in the debtor's possession.
- the authority requests him to supply it.
- it falls within a prescribed description of information.

- 3.6. It is also proposed that the consultation consider if the Council should impose a £50 fixed civil penalty when a benefit customer fails to report a change in the following circumstances within 1 calendar month, and has not provided a reasonable explanation for the delay, and an overpayment has been created.

The authority may impose a penalty of £50 where a person:

- fails to notify the authority, or other appropriate agency, without reasonable excuse, on any matter which affects entitlement to housing benefit, causing housing benefit to have been overpaid.
- Provides incorrect statement on a housing benefit claim, without taking reasonable steps to correct them, resulting in an overpayment of housing benefit

- Any penalty only applies where the incorrect information or failure to supply information has resulted in benefit being overpaid, and the Local Authority has not successfully prosecuted for fraud, or offered an admin penalty or caution.
- Applying a civil penalty is a permissive power for local authorities under the Social Security Administration Act 1992.

**4. Reasons for recommendations**

The introduction of a fixed penalty has been shown to encourage customers to notify the Council of changes in a more timely manner. This in itself saves the authority time and money.

If we are to introduce a fixed penalty scheme, we are required to undertake useful and accessible consultation to include a full equality impact assessment

**5. Equality impact assessment**

An equality impact assessment has not been completed as a full consultation has not been undertaken so no adverse impacts have been identified at this stage. A full EIA will be completed when the consultation has finished. If the consultation identifies any adverse negative impact on any of the protected characteristics we will endeavour to mitigate these barriers and impacts where possible.

**6. Legal implications**

The legal authority for implementation of fixed penalties is set out in the report.

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

Any costs arising from this proposal will be offset by income from the penalties levied.

It is anticipated that the introduction of fixed penalty charges for late notification of changes will improve Council Tax collection rates.

.....  
Signed by:

**Appendices:** Nil

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

.....  
Signed by:

## THIS ITEM IS FOR INFORMATION ONLY

**Title of meeting:** Resources Portfolio

**Subject:** Utilities Management Capital Programme Update

**Date of meeting:** 22 October

**Report by:** Mark Tutton

**Wards affected:**

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### 1. Requested by Cllr Lee Mason

### 2. Purpose

To update on the revisions to the proposed project list for the Utilities Management Capital Programme and update on project progress.

### 3. Information Requested

In view of recent changes in Government policy, to cut the feed-in tariff rates for Photovoltaic (PV) solar systems from January 2016, the Utilities Management capital programme has been restructured to accelerate spend on PV. In addition £26,000, the remaining balance in the carbon management reserve, has been utilised to further increase the Utilities Management capital programme from £1.08m to £1.106m.

The following project has been delayed to facilitate the additional spend on PV and is now included in the Capital bids for 2016/17:

Mountbatten Centre CHP

These following projects funded from the revised Utilities Management Capital Programme, are all now in the process of being prepared or are underway and their current status is noted below:

Civic PV - has been completed and was connected to the grid on 9<sup>th</sup> October.  
Civic Offices LED Lighting - Order placed for the trail area - Start on Site 16th Oct remaining areas currently being designed.

Mountbatten Centre LED Lighting - waiting for contract to be signed by Parkwood.

**THIS ITEM IS FOR INFORMATION ONLY**

Mountbatten Centre BMS - waiting for contract to be signed by Parkwood.  
 Mountbatten Centre PV - Scheme is back from tender - waiting for contract to be signed by Parkwood  
 Challenge Enterprise Centre PV - Commences 19 October  
 Portsmouth Enterprise Centre PV - returned from tender awaiting start date  
 Victory Business Centre PV - Contract awarded awaiting start date

In addition the following schemes have been added within the approved budget as a result of the favourable tenders received for the projects listed above:

Corben Lodge PV - returned from tender awaiting start date  
 Garrison Court PV - Out to tender  
 Medina House PV - returned from tender awaiting start date  
 Carnegie Library PV - Out to tender

.....  
 Signed by (Director)

**Appendices:**

**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





## THIS ITEM IS FOR INFORMATION ONLY

**Title of meeting:** Resources Portfolio

**Subject:** Update on Super Connected Cities Programme

**Date of meeting:** 22<sup>nd</sup> October 2015

**Report by:** Director of Finance and Information Services

**Wards affected:** All

**1. Requested by:** Councillor Lee Mason

### **2. Purpose**

2.1 To update the Cabinet Member on the Super Connected Cities Programme and the potential opportunities afforded by the new wifi infrastructure deployed in the City.

### **3. Information Requested**

#### **3.1 Introduction**

The Super Connected Cities initiative was a Government sponsored scheme by the Department for Culture, Media & Sport (DCMS) to transform broadband access across the UK enabling everyone access to high-speed broadband. Approval was given for PCC to pursue three distinct strands as a part of the programme:

- WiFi to Public Buildings (My City WiFi)
- Vouchers to cover the cost of installation or upgrade of an SME's broadband line
- Demonstrator Hub

#### **3.2 Background**

There were three main goals for the Super Connected City programme:

- To support economic growth innovation and enterprise in Portsmouth
- To enhance the competitiveness of our city
- To aid digital inclusion.

## **THIS ITEM IS FOR INFORMATION ONLY**

### **3.3 Progress to Date**

#### WiFi to public buildings

The main objective for the public building wifi project was to provide high-speed, high quality, secure, and specifically 'free' wifi access in public buildings across the city to as many residents and visitors as possible.

Initially PCC was awarded £1,875,000 to provide wifi to 49 public buildings that would give as much coverage across the City in key community based areas but also where there was high footfall (such as the Portsmouth Ferry Port and the Tipner Park & Ride).

In December 2014 following an application to the DCMS a sum of £1,380,600 was reallocated to the public wifi scheme from the initial allocation to the voucher scheme (see below). At the conclusion of the scheme public access wifi was rolled out to a total of 79 sites. All sites were completed and operational by 30<sup>th</sup> June 2015.

#### Vouchers

The second strand of the scheme was to encourage local small and medium sized business to apply for a broadband connection voucher to increase the superfast broadband coverage across the city. The Council was initially awarded £2,236,000 to support the application of 500 vouchers as this was the main purpose of the scheme. However due to low uptake nationally as well as in Portsmouth, DCMS agreed to reduce the voucher target to 160. As a consequence £1,380,600 of voucher funding was re-allocated to the public wifi project (as discussed above) leaving an agreed final sum of £855,400 for the voucher scheme.

By the 31<sup>st</sup> March 2015 the initial target of 160 had been exceeded with a total of 203 vouchers issued. Due to the slow take up of the scheme nationally the DCMS decided to extend the scheme for a further year and as at 1st October 2015 a further 94 vouchers have been issued bringing the current total across the City to 297. The DCMS have now issued a notice of closure of the scheme therefore no further applications will be processed.

#### Demonstrator Hub

The Council was originally allocated £100,000 to create a Demonstrator Hub to provide help and advice on new technologies (e.g. VOIP and Cloud), connection speeds and a drop-in service for website health checks. The Demonstrator Hub was set up in partnership with the University of Portsmouth which provided cost savings. Unfortunately, demand was very low primarily as SME's have ready access to the information from other sources.

#### Wireless Concession

A fourth strand of Concessions which sought to engage the market in areas of innovation to complement the work on the wireless network was withdrawn at the time due to lack of market demand.

## THIS ITEM IS FOR INFORMATION ONLY

3.4 An overall summary for the Super Connected Cities scheme is set out below:

	<b>Target</b>	<b>Achievement</b>
Connection Vouchers	160	297
Public Building Wifi	49	79
Growth Hub	1	1
Wireless Concession	0	0

### 3.5 Conclusions

#### Impact of the programme

The City Council significantly exceeded the targets set by DCMS against a national backdrop of delivering a challenging initiative.

The broadband connection voucher scheme will benefit a total of 297 SMEs/Charities within the authority boundaries of Portsmouth City Council and Fareham, Gosport and Havant Borough Councils. This should result in those businesses being able to grow and ultimately increase the economic growth of Portsmouth.

The wifi in public buildings project allowed the installation of superfast broadband in 79 sites across the City in partnership with Portsmouth University, allowing residents and visitors to Portsmouth to use My City WiFi, encouraging social inclusion and covering some areas that were previously NGA white areas.

#### Future Plans

The usage statistics show that the public access wifi is now becoming more accepted and thereby used across the City both by members of the public using various mobile devices but also our public sector partners as it provides a mechanism for them to connect via a secure link back to their own IT infrastructure.

In addition this now provides Portsmouth with the opportunity to utilise the wifi and the core infrastructure for other purposes:

- 1) The technology used to deliver MyCityWifi will enable other wifi services to run over the same infrastructure, this will facilitate easier connectivity as we move into the new world of Multi-Agency working, this is already being used to support Solent NHS Trust who will soon be occupying parts of the Brunel Wing within the Civic Offices.
- 2) There was consideration given to offering a Wireless Concession at the start of the scheme but there was a lack of market engagement and therefore this aspect was dropped from the programme. This situation has now changed and with the demands of 4G connectivity increasing rapidly and better technological solutions available the market has recently picked back up.

## **THIS ITEM IS FOR INFORMATION ONLY**

Therefore we are now having discussions on what this aspect could provide for the residents of Portsmouth and potentially an income stream to the Authority.

- 3) The DCMS are now heavily promoting the concept of the 'Internet of Things' with potential grant funding opportunities in the future. This concept is based around the use of sensors connected via the internet to improve the lives of those living in the City. The DCMS are maintaining a focus on three streams - Health & Social Care, Transportation and Energy Reduction.

The University organised a workshop in August bringing together the Local Authority, LEP, and local SME's (whose line of business is technological innovation) to firstly define the issues facing the City in each of the three key areas defined above and then to note innovative ideas for addressing them. This information is being used to draft a business case for use in future funding applications.

- 4) There are other areas where the either the high speed broadband lines coupled with the wifi have offered solutions that otherwise would have been difficult or costly to provision, for example the Port have recently installed two kiosks in the reception offering visitors a quick and easy way to obtain further information on travel and event / attractions across the City, once installed they were simply connected to the wifi to get the latest information.

**THIS ITEM IS FOR INFORMATION ONLY**

.....  
Signed by (Director)

**Appendices:**

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

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

<b>Title of document</b>	<b>Location</b>
Location Analytics	Appendix A
Map of MyCityWifi Locations	Appendix B

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### Appendix A

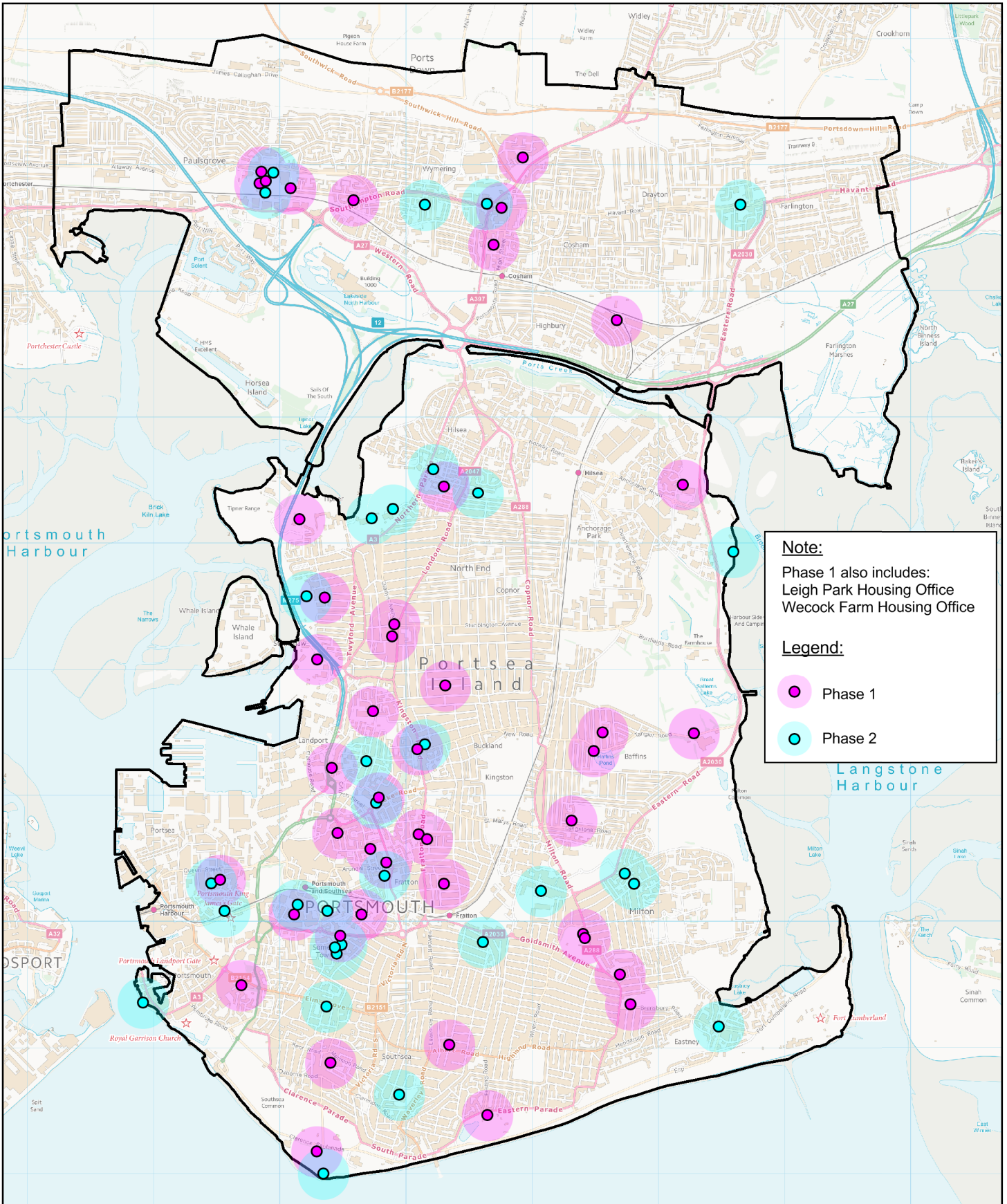
Location Analytics - Daily Monthly Average Per Site V - Visitor C - Connected to Site		Daily Average		Total Monthly Footfall	
		V	C	V	C
Site	Site Category	V	C	V	C
Landport Community	Community/Youth	93	17	2790	510
Landport Adventure	Community/Youth	134	44	4020	1320
Millgate House	Community/Youth	21	7	630	210
John Pounds Centre	Community/Youth	151	14	4530	420
Portsea Adventure	Community/Youth	69	10	2070	300
Charles Dickens Centre	Community/Youth	189	89	5670	2670
Buckland Children's Centre	Community/Youth	79	23	2370	690
Fratton & Landport CC	Community/Youth	56	7	1680	210
Fratton Community #Centre	Community/Youth	130	37	3900	1110
Buckland Adventure Playground	Community/Youth	98	25	2940	750
Buckland Community Centre	Community/Youth	193	35	5790	1050
Noth End Children's Centre	Community/Youth	73	5	2190	150
New Road Day Centre	Community/Youth	50	8	1500	240
Stamshaw Adventure Playground	Community/Youth	51	3	1530	90
Stamshaw & Tipner CC	Community/Youth	96	11	2880	330
North Parade Children Centre	Community/Youth	96	15	2880	450
Anchorage Park CC	Community/Youth	89	13	2670	390
Stacey Centre	Community/Youth	58	17	1740	510
Baffins Community Centre	Community/Youth	1	0	30	0
Tangiers Road Children's Home	Community/Youth	65	5	1950	150
Carers Centre	Community/Youth	604	317	18120	9510
Havelock CC	Community/Youth	155	37	4650	1110
Loewood Centre	Community/Youth	26	7	780	210
Milton Children's Centre	Community/Youth	44	5	1320	150
Milton CC	Community/Youth	53	8	1590	240
Warren Avenue	Community/Youth	32	8	960	240
Pompey In The Com	Community/Youth	102	28	3060	840
Henderson Road Day Centre	Community/Youth	63	13	1890	390
Eastney Community Centre	Community/Youth	72	8	2160	240
Campion Place	Community/Youth	897	787	26910	23610
Somerstown Adventure Playground	Community/Youth	15	6	450	180
Somerstown Children's Centre	Community/Youth	73	14	2190	420
Somertown Hub	Community/Youth	229	150	6870	4500
Tipton House	Community/Youth	36	22	1080	660
Edgbaston House	Community/Youth	78	99	2340	2970
Highbury Community Centre	Community/Youth	69	5	2070	150

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Cosham Community Centre	Community/Youth	116	21	3480	630
Skye Children's Centre	Community/Youth	12	6	360	180
Paulsgrove Children's Centre	Community/Youth	43	2	1290	60
Hillside & Wymering CC	Community/Youth	64	22	1920	660
147 Allaway Avenue	Community/Youth	55	14	1650	420
Paulsgrove Adventure Playground	Community/Youth	31	13	930	390
Paulsgrove Community Centre	Community/Youth	66	15	1980	450
Civic	Council	4815	2410	144450	72300
Registry	Council	72	50	2160	1500
City Museum	Cultural	262	356	7860	10680
Square Tower	Cultural	29	5	870	150
Charles Dickens Birthplace	Cultural	4	1	120	30
Cumberland Museum	Cultural	207	89	6210	2670
D Day Museum	Cultural	418	125	12540	3750
Southsea Castle	Cultural	69	22	2070	660
Martime House	Health	72	10	2160	300
Shearwater House	Health	93	18	2790	540
Beechside Respite	Health	72	13	2160	390
Employment & Learning	Learning	187	22	5610	660
Russetts Lodge	Learning	52	12	1560	360
The Learning Place	Learning	148	9	4440	270
PCMI	Learning	63	13	1890	390
Portsmouth Gymnastics Centre	Leisure	406	61	12180	1830
Mountbatten Centre	Leisure	1072	166	32160	4980
Portsmouth Watersports	Leisure	69	16	2070	480
Wimbledon Park Sport Centre	Leisure	78	13	2340	390
Charter Sport Centre	Leisure	240	50	7200	1500
Central Library	Library	776	343	23280	10290
Carnegie Library	Library	213	119	6390	3570
North End Library	Library	62	13	1860	390
Alderman Lacey	Library	170	33	5100	990
Beddow Library	Library	59	12	1770	360
Southsea Library	Library	690	150	20700	4500
Cosham Library	Library	145	23	4350	690
Paulsgrove Library	Library	54	12	1620	360
Landport Housing Office	Social Housing	136	37	4080	1110
Bucklanfd Housing Office	Social Housing	188	33	5640	990
Paulsgrove Housing Office	Social Housing	157	29	4710	870
Wecock Farm Housing	Social Housing	46	6	1380	180
Leigh Park Housing Office	Social Housing	188	16	5640	480
Tipner P&R	Transport	98	16	2940	480
Ferry Port	Transport	2817	599	84510	17970
Totals				568620	206820

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**Note:**  
 Phase 1 also includes:  
 Leigh Park Housing Office  
 Wecock Farm Housing Office

**Legend:**

- Phase 1
- Phase 2

Title: Super Connected Cities  
 Portsmouth MyCity WiFi

Drq No: SCCN1M1a



Prepared for: Information Service  
 Prepared by: Geographic Information Service

Scale: N.T.S.

Date: 09/10/2015



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# Agenda Item 6



Portsmouth  
CITY COUNCIL

Agenda item:

**Decision maker:** Cabinet Member for Resources Portfolio

**Subject:** Monitoring of the First Quarter 2015/16 Revenue Cash Limits and Capital Programme

**Date of decision:** 22nd October 2015

**Report by:** Director of Finance and Information Services

**Wards affected:** ALL

**Key decision:** No

**Budget & policy framework decision:** No

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## 1. Introduction

- 1.1 This report compares the forecast revenue outturn 2015/16 with the cash limited budget for that year and the forecast capital expenditure with the approved capital programme and provides information to enable an understanding of the reason for variances. It also lists the action to be taken to mitigate the effect of forecast overspends.

## 2. Purpose of report

- 2.1 To inform the Cabinet Member and Opposition Spokespersons of:
- The forecast revenue expenditure for the year compared with the cash limited budget.
  - The forecast capital expenditure against the revised capital programme for the Resources portfolio.

## 3. Recommendations

- 3.1 The content of this report be noted.

#### 4. Background

##### 4.1 Cash Limit 2015/16

	<b>£000's</b>
Net Requirement	24,252
Less;	
Capital Charges	(2,786)
Net Insurance Costs	(105)
FRS17	(860)
Employee Benefit Accruals	(468)
<b>Controllable Cash Limit 2015/16</b>	<u>20,033</u>

##### Forecast Outturn 2015/16

	<b>£000's</b>	<b>% of Budget</b>
Total Forecast Controllable Expenditure 2015/16	19,943	99.56%
Controllable Cash Limit	20,033	
<b>Forecast Variance - (Under)/Overspend</b>	<u>(89)</u>	0.44%

##### 4.2 Appendices

4.3 Analysis of this portfolio's variations from the revenue cash limit is attached at Appendix A.

4.4 Analysis of the portfolio's capital expenditure for 2015/16 is attached at Appendix B.

#### 5. Revenue Expenditure

(Please read in conjunction with the attached Appendix A)

5.1 The provisional forecast outturn for the portfolio compared to the cash limit indicates a net underspend of £89,500.

5.2 Within the portfolio there are services whose budgets are deemed 'windfall' budgets by the City Council. These services are, Rent Allowances, Rent Rebates, Discretionary Non-Domestic Rate relief, Land Charges and District Audit Fees (within Corporate Management). These 'windfall' budgets represent income and expenditure which is demand led and largely out of the control of budget managers. Consequently any under or overspending is absorbed corporately. Excluding 'windfall' variances gives a net underspend on the portfolio of £41,300 i.e. 0.21%.

5.3 Item 2 HR, Legal and Performance - forecast overspend £11,700

Based on current activity fee earning work is forecast to be a little below budget by the end of 2015/16. A review is under way aimed at increasing fee income to eliminate this shortfall.

5.4 Item 4 Customer & Community Services - forecast underspend £111,700

Vacant posts have been held, where operationally possible, in anticipation of future efficiency requirements.

5.5 Item 6 Financial Service - forecast underspend £73,900

Vacant posts have been held, where operationally possible, in anticipation of future efficiency requirements.

5.6 Item 7 Information Services - forecast underspend £37,500

Vacant posts have been held, where operationally possible, in anticipation of future efficiency requirements.

5.7 Item 22 Corporate Management - forecast overspend £147,200

Previously approved budget reductions relating to additional income from the Housing Revenue Account (HRA) have not yet been identified within the portfolio.

These un-realised savings are currently shown as an additional cost to the corporate management budget. Work to specify how this income can be realised is on-going and will be complete by the end of 2015/16.

## 6. **Summary**

6.1 The overall forecast outturn position on the portfolio is a net underspend of £89,500 representing 0.44% of the total cash limited budget. Within this net position there are various other less significant under and overspendings as shown in Appendix A.

6.2 At the end of 2014/15 financial year the sum of £651,800 was transferred to the portfolio specific earmarked reserve. This reserve is to be used initially to cover future 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 the earmarked reserve in consultation with the Director of Finance and Information Services & S151 Officer.

6.3 Since the last meeting of this portfolio, the following applications have been approved from the portfolio reserve:

	£
Support to FOI	19,200
Meeting cost of shortfall on Scrutiny panel requirements	7,600
One year funding of contracts officer post	54,600
Software for revenue assessments	46,100

6.4 To date there is an uncommitted balance on the reserve of £791,800.

## 7. Capital Programme

(Please read in conjunction with the attached Appendix B)

7.1 The capital programme has been updated to reflect the impact of new schemes, further approved amendments, re-phasing of expenditure and the removal of completed schemes.

7.2	<b><u>Forecast Outturn 2015/16</u></b>	<b>£000's</b>	<b>£000's</b>
	Total Revised Budget 2015/16		7,020
	Actual Net Expenditure 1 Apr 2014 to 30 Jun 2015	1,258	
	Forecast Net Expenditure 1 Jun 2015 to 31 Mar 2015	<u>5,757</u>	
	Total Forecast Expenditure 2015/16		7,015
	<b>Forecast Variance - (Under) / Overspend</b>		<u>(5)</u>

7.3 Additions since the start of 2015/16 year:

<b>Scheme Name</b>	<b>£000's</b>
IS Road Map (item 11)	156
Super Connected Cities (item 21)	380

7.4 The provisional forecast outturn for the portfolio capital programme compared to the approved budget is a net underspend of £5,400.

Schemes which have materially altered the capital programme are described in more detail below.

7.5 Item 11 IS Road Map - additional approval £155,820

Representing a rolling programme of IT infrastructure renewal the IS road map aims to ensure that the Council has appropriate IT infrastructure over the medium term.

As part of an ongoing review of the projects resourcing, additional costs in respect of security architecture, mobile working and e-mail upgrades have been identified. These will be funded through a revenue contribution to capital from the IS core infrastructure rolling replacement reserve.

7.6 Item 21 Super Connected Cities - additional funding £555,445

Further funding has been secured for the 2015/16 financial year to continue with the Super Connected Cities project. The project has two strands, the provision of WiFi in council owned public buildings and a voucher scheme to enable small and medium size enterprises to access superfast broadband.

Current grant conditions will cover £1,188,000 of expenditure during the 2015/16 year which is in line with the projects expected completion date.

**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.

**Director of Finance's comments**

9.2 This report represents the forecast outturn position on the Resources portfolio's approved revenue and capital budgets as at the end of June 2015.

.....  
Signed by: Director of Finance and Information 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:

<b>Title of document</b>	<b>Location</b>
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 22nd October 2015

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



# FINANCIAL AND SERVICE PERFORMANCE QUARTER ENDING JUNE 2015

## QUARTER 1 BUDGET MONITORING STATEMENT - CASH LIMIT 2015/16

<b>PORTFOLIO</b>	<b>Resources</b>
<b>BUDGET</b>	20,033,300
<b>TOTAL CASH LIMIT</b>	<b>20,033,300</b>

**CHIEF OFFICER**                      Various

**MONTH ENDED**                      June 2015

Risk indicator	
Low	L
Medium	M
High	H

ITEM No.	BUDGET HEADING	BUDGET PROFILE 2015/16				RISK INDICATOR
		Total Budget	Forecast Year End Outturn	Variance vs. Total Budget		
		£	£	£	%	
1	Miscellaneous Expenses	578,800	572,800	(6,000)	(1.0%)	L
2	HR, Legal and Performance	3,092,600	3,104,300	11,700	0.4%	M
3	Transformation Workstream Investment	50,000	50,000	0	0.0%	M
4	Customer & Community Services	1,453,700	1,342,000	(111,700)	(7.7%)	H
5	Grants & Support to the Voluntary Sector	612,800	612,800	0	0.0%	L
6	Financial Services	4,554,300	4,480,400	(73,900)	(1.6%)	M
7	Information Services	4,235,700	4,198,200	(37,500)	(0.9%)	H
8	AMS Design & Maintenance	580,900	580,900	0	0.0%	M
9	Property Services	297,200	297,200	0	0.0%	M
10	Landlords Repairs & Maintenance	1,185,200	1,185,200	0	0.0%	M
11	Spinnaker Tower	(400,000)	(400,000)	0	0.0%	L
12	MMD Crane Rental	(385,400)	(385,400)	0	0.0%	M
13	Administration Expenses	5,000	5,000	0	0.0%	L
14	Housing Benefit - Rent Allowances	(580,800)	(580,800)	0	0.0%	M
15	Housing Benefit - Rent Rebates	(265,400)	(265,400)	0	0.0%	M
16	Local Taxation	1,338,400	1,338,400	0	0.0%	L
17	Local Welfare Assistance Scheme	100,000	100,000	0	0.0%	L
18	Benefits Administration	1,712,700	1,712,700	0	0.0%	M
19	Discretionary Non-Domestic Rate Relief	0	0	0	-	L
20	Land Charges	(85,200)	(85,200)	0	0.0%	M
21	Democratic Representation & Management	1,180,900	1,173,300	(7,600)	(0.6%)	L
22	Corporate Management	771,900	919,100	147,200	19.1%	H
<b>TOTAL</b>		<b>20,033,300</b>	<b>19,955,500</b>	<b>(77,800)</b>	<b>(0.4%)</b>	
<b>Total Value of Remedial Action (from Analysis Below)</b>				(11,700)		
<b>Forecast Outturn After Remedial Action</b>		<b>20,033,300</b>	<b>19,943,800</b>	<b>(89,500)</b>	<b>(0.4%)</b>	
<b>Forecast Transfers To Portfolio Specific Reserves</b>		(89,500)				
<b>Forecast Outturn After Transfers (From)/To Portfolio Specific Reserves</b>		<b>19,943,800</b>	<b>19,943,800</b>	<b>0</b>	<b>0.0%</b>	

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

### REASONS FOR VARIATIONS AGAINST TOTAL BUDGET 2015/16

Item No.	Reason for Variation	Variance £	Remedial Action	Value of Remedial Action
2	The income level required for legal services is not being achieved causing an overspend within the area.	11,700	A review of work is being carried out to identify fee earning potential.	(11,700)
4	Underspend across a number of Customer & Community Services areas due to the holding of vacancies where possible in order to prepare for saving requirements in future years.	(111,700)		
6	The service is holding vacancies where possible in order to prepare for saving requirements in future years.	(73,900)		
7	The service is projecting an underspend due to vacant posts being held in preparation for future years savings.	(37,500)		
21	Members Expenses forecast to underspend due to one councillor covering 2 portfolio committees, saving on allowances.	(7,600)		
22	Approved budget reductions relating to additional income from HRA have yet to be identified.	147,200	Service continues to seek to identify opportunities to meet this saving requirement	
	Net of variance less than £5,000	(6,000)		
	<b>TOTAL PROJECTED VARIANCE</b>	<b>(77,800)</b>	<b>TOTAL VALUE OF REMEDIAL ACTION</b>	<b>(11,700)</b>

Note Remedial Action resulting in savings is shown in brackets

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Item No.	Scheme	Source of Finance	Total Expenditure to 31-Mar-15 £	Revised Budget 2015/16 £	2015/16 Expenditure to 30-Jun-15 £	Forecast Expenditure 2015/16 £	In Year Variance /(Savings) £	Approved Estimate 2016/17 £	Total Approved Budget £	Final Cost £	Total Scheme Variance /(Savings) £	Progress to Date/ Comments
1	Landlord's Maintenance - capitalised repairs	CorpRsv / CD	1,347,076	101,467	2,250	101,467	-	-	1,448,543	1,448,543	-	The remaining 2015/16 budget allocation will be used to finish electrical distribution works and cover retention on the Civic Offices plant upgrade.
2	Project Management	CorpRsv	-	44,900	-	44,900	-	-	44,900	44,900	-	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 Corporate Project Board.
3	Landlords Maintenance	CorpRsv/CP(DCSF)	3,060,985	1,225,999	21,119	1,225,999	-	-	4,286,984	4,286,984	-	Funding allocated for urgent repairs based on the priority of need. Major schemes within the 2015/16 programme include improvements to the Civic Offices and works on the Round Tower.
4	Landlords Maintenance Capital Contingency 2012/13	CorpRsv	-	215,000	-	215,000	-	-	215,000	215,000	-	New funding allocated as part of the 2012/13 Capital Programme approval for essential works critical to maintaining operational buildings.
	Landlords Maintenance Capital Contingency 2013/14	CRGG	-	196,000	-	196,000	-	-	196,000	196,000	-	New funding allocated as part of the 2013/14 Capital Programme approval for essential works critical to maintaining operational buildings.
<b>Sub Total:</b>			<b>-</b>	<b>411,000</b>	<b>-</b>	<b>411,000</b>	<b>-</b>	<b>-</b>	<b>411,000</b>	<b>411,000</b>	<b>-</b>	
5	MMD - Capital Loans	UB / OG (DCLG)CD	5,204,000	640,000	-	640,000	-	1,100,000	6,944,000	6,944,000	-	Capital loans payable to MMD to finance capital expenditure requirements. Loans in 2015/16 will fund equipment purchases including a crane, reach stacker and photocopiers.
6	Asset Management System	B / OG (DCLG)CD	173,145	126,872		126,872	-	-	300,017	300,017	-	Development work to improve the new systems interface with financial reporting requirements is on-going with an estimated completion date of 2015/16.
7	Major Repairs to Corporate Property Portfolio	CorpRsc/CRGG	1,154,591	59,779	(1,800)	59,779	-	-	1,214,370	1,214,370	-	Miscellaneous repair works to PCC properties. The remaining allocation for 2015/16 will be used to complete repairs within Southsea Castle and cover retention and finishing costs from schemes completed in 2014/15.
8	IS Data Centre	CorpRsv	828,746	37,101		37,101	-	-	865,847	865,847	-	The scheme is complete and the IS data centre is operational. Remaining budget is available to cover retention and finishing works.
		OG(DCLG)CD	39,453	-		-	-	-	39,453	39,453	-	
	IS Data Centre Chillers	CMR	134,400	-		-	-	-	134,400	134,400	-	
<b>Sub Total :</b>			<b>1,002,599</b>	<b>37,101</b>	<b>-</b>	<b>37,101</b>	<b>-</b>	<b>-</b>	<b>1,039,700</b>	<b>1,039,700</b>	<b>-</b>	
9	IS Data Centre Phase 2	CorpRsv / OG(DCLG)CD	88,644	226,396	13,652	226,396	-	394,960	710,000	710,000	-	Works to improve accommodation space for operatives of the new IS Data centre (item 11)
10	Transformation Programme - Customer Management	UB/OG(DCLG)CD	153,399	31,601		31,601	-	-	185,000	185,000	-	Works have comprised both hardware and software elements. Completion has been delayed until early 2015/16 since the final development stage needs to be phased with on going web site development work.
11	IS Road Map	CorpRsv / OG(DCLG)CD /	671,202	420,798	55,241	420,798	-	344,620	1,436,620	1,436,620	-	Rolling programme of IT infrastructure renewal. Major schemes include replacement storage area network, software upgrades and improved back up systems.
12	Review of Business Software (windows 7)	CorpRsv/OG(DCLG)CD	916,033	12,894		12,894	-	-	928,927	928,927	-	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. £605,600 has been returned since the IS road map (item 14) now covers remaining works.
		ITR	49,500	-	-	-	-	-	49,500	49,500	-	
<b>Sub Total:</b>			<b>965,533</b>	<b>12,894</b>	<b>-</b>	<b>12,894</b>	<b>-</b>	<b>-</b>	<b>978,427</b>	<b>978,427</b>	<b>-</b>	
13	Guildhall Capital Works	CorpRsv/OG(DCLG)CD	1,217,552	327,188	14,546	327,188	-	-	1,544,740	1,544,740	-	Significant capital works to enhance the Guildhall funded via release of funds from contingency. Remaining works include; Electrical/ lighting works, refurbished changing rooms, window replacement, various roof replacements, boiler replacement and mechanical works.

Item No.	Scheme	Source of Finance	Total Expenditure to 31-Mar-15 £	Revised Budget 2015/16 £	2015/16 Expenditure to 30-Jun-15 £	Forecast Expenditure 2015/16 £	In Year Variance Overspending / (Savings) £	Approved Estimate 2016/17 £	Total Approved Budget £	Final Cost £	Total Scheme Variance Overspending / (Savings) £	Progress to Date/ Comments	
14	Revenue and Benefits EDMS replacement	CorpRsv/OG(DCLG)CD	74,108	20,892	-	1,032	20,892	-	-	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. Slippage into 2015/16 is partly due to elements relating to Social Care completing before Revenue and Benefit related items.
15	Call Recording System	CorpRsv/OG(DCLG)CD	37,500	15,766	-	7,734	15,766	-	-	53,266	53,266	-	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 2015/16.
16	Working Anywhere	CorpRsv/OG(DCLG)CD	740,835	178,165	29,302	178,165	-	-	919,000	919,000	-	Commencing in 2014/15 this scheme will equip the council with a suitable ICT infrastructure that will facilitate flexible working. Project is forecast to complete in 2015/16.	
<b>Sub Total :</b>			<b>740,835</b>	<b>178,165</b>	<b>29,302</b>	<b>178,165</b>	<b>-</b>	<b>-</b>	<b>919,000</b>	<b>919,000</b>	<b>-</b>		
17	Commercial Letting of Brunel Wing	CorpRsv	-	368,168	53,303	368,168	-	-	368,168	368,168	-	Creation of an autonomous Brunel wing suitable for commercial letting. The scheme includes core 5 lift upgrade, infrastructure, door access systems, furniture and the relocation of staff.	
		OG(DCLG)CD	326,286	-	-	-	-	-	326,286	326,286	-		
<b>Sub Total :</b>			<b>326,286</b>	<b>368,168</b>	<b>53,303</b>	<b>368,168</b>	<b>-</b>	<b>-</b>	<b>694,454</b>	<b>694,454</b>	<b>-</b>		
18	World War 2 Memorial Guildhall Square	CorpRsv	-	27,000	9,183	27,000	-	-	27,000	27,000	-	Scheme is progressing with all service names included on the memorial and work to add approx 1025 civilian names underway. Portsmouth City Council has contributed £27,000 to the scheme with the remaining costs funded through fundraising.	
		OC	22,149	47,851	-	47,851	-	-	70,000	70,000	-		
<b>Sub Total :</b>			<b>22,149</b>	<b>74,851</b>	<b>9,183</b>	<b>74,851</b>	<b>-</b>	<b>-</b>	<b>97,000</b>	<b>97,000</b>	<b>-</b>		
19	PSN CoCo Compliance	CorpRsv/OG(DCLG)CD/ISf	99,384	123,016	-	123,016	-	22,600	245,000	245,000	-	Scheme to comply with the Public Sector Network (PSN) authority requirements for authorities that connect to secure government systems.	
20	Replacement Emergency Generator	CP(DCSF)CM	162,632	27,368	7,482	27,368	-	-	190,000	190,000	-	Installation of a new generator to ensure safe operation of key services based in the Civic Offices. £45,000 transferred from Civic Ducting re MIS 31.10.2014. Remaining 2015/16 budget will cover retention and finishing costs.	
21	Super Connected Cities	OC	1,687,521	1,187,924	1,067,029	1,187,924	-	-	2,875,445	2,875,445	-	Provision of a high speed broadband service to local businesses and enhancements to wifi networks within public buildings. Funded by central government grant from the Department for Culture Media and Sport. Further expenditure funded via central government grant of £555,400 has been added to 2015/16.	
22	Guildhall Capital works - Operational areas	CorpRsv	-	80,000	-	80,000	-	-	80,000	80,000	-	Improvements to internal operational areas utilised by Portsmouth City Council. Funded via a revenue contribution from the Planning Regeneration and Economic Development revenue budget.	
23	Server and Database Upgrades	CorpRsv	-	200,000	-	200,000	-	-	200,000	200,000	-	Upgrade to server and database software to ensure ongoing support from suppliers. This is a requirement to maintain Public Service Network (PSN) security accreditation.	
24	Requirements Specs for BI & EDMS	CorpRsv	245	49,755	-	49,755	-	800,000	850,000	850,000	-	The scheme comprises two elements; A review of existing information needs and the creation of a specification, followed by a development and implementation phase.	
25	Web Phase 2/ Channel Shift	CorpRsv	-	346,100	139	346,100	-	335,000	681,100	681,100	-	Scheme will significantly improve the Councils customer contact arrangement. Focusing on development of web presence to enable more online self-serve functionality to reduce demand for phone or face to face contact.	
26	Utilities Management	UB	-	600,000	172	600,000	-	506,000	1,106,000	1,106,000	-	A range of energy efficiency schemes including fitting of photo voltaic panels to selected PCC assets, installation of building management systems and insulation of building roof voids.	
<b>On-going Schemes Total</b>			<b>18,189,386</b>	<b>6,938,000</b>	<b>1,262,852</b>	<b>6,938,000</b>	<b>-</b>	<b>3,503,180</b>	<b>28,630,566</b>	<b>28,630,566</b>	<b>-</b>		
<b>Completed Schemes Total</b>			<b>4,490,078</b>	<b>82,461</b>	<b>(4,781)</b>	<b>77,049</b>	<b>(5,412)</b>	<b>-</b>	<b>4,572,539</b>	<b>4,567,127</b>	<b>(5,412)</b>		
<b>GRAND TOTAL</b>			<b>22,679,464</b>	<b>7,020,461</b>	<b>1,258,071</b>	<b>7,015,049</b>	<b>(5,412)</b>	<b>3,503,180</b>	<b>33,203,105</b>	<b>33,197,693</b>	<b>(5,412)</b>		