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Agenda item:

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Title of meeting:	Cabinet Member for Planning, Regeneration and Economic Development
Date of meeting:	27 March 2014
Subject:	Monitoring of 2013/14 Cash Limits and Capital Programme for the Period to 31 December 2013
Report by:	Strategic Director and Head of Finance & S151 Officer
Wards affected:	All
Key decision:	No
Full Council decision:	No

1. Purpose of report

1.1 The purpose of this report is to inform the Cabinet Member of:

- i) The forecast revenue expenditure for the year compared with the cash limited budget.
- ii) The forecast capital expenditure against the capital programme for the Planning, Regeneration and Economic Development (Excluding the Port) portfolio.

2. Recommendations

2.1 It is recommended that the Cabinet Member for Planning, Regeneration and Economic Development:

- i) Notes the forecast revenue expenditure for the year compared with the cash limited budget.
- ii) Notes the forecast capital expenditure against the capital programme for the Planning, Regeneration and Economic Development (Excluding the Port) portfolio.

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3. Information requested

Cash Limit 2013/14

	£'000	
Controllable Cash Limit 2013/14	(1,304)	
Outturn 2013/14		%of Budget
Controllable Cash Limit 2013/14	(1,304)	100
Forecast net expenditure to 31 March 2014	(1,237)	94.9
Forecast under achievement of income	67	5.1

An analysis of the Portfolio's actual variations from budget is attached at Appendix A, an overspend of £66,971 was reported to 31st December, 2013. Funding has subsequently been identified to offset the PCMI overspend, see note 9 below. The revised outturn for the Portfolio will therefore be a £28,104 underspend.

An analysis of the Portfolio's capital expenditure to 31st December 2013 is attached at Appendix B.

4. Manager's Comments

(Please read in conjunction with the attached Appendix A)

The revised revenue outturn for the Portfolio compared to the cash limit indicates a projected underspend of £28,104 at year end.

There are compensating underspend and overspend variances between services, detail of the variances exceeding £5,000 is outlined below.

1. Planning Management and Administration - Underspend (£47,000)

Following the formation of the Planning and City Development team, there has been a re-structure of the service. Expenditure has been reduced as a result of posts remaining vacant for longer than originally anticipated during the transition period.

4. Building Regulations and Control - Underspend (£20,000)

The underspend is as a result of vacant posts in the service. This has been offset by a reduction in income as a result of the team having less capacity to proactively seek fee earning work.

7. Economic Development, Business and Standards -

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Underspend (£44,485)

The projected underspend is due to the service having been able to attract additional one-off sponsorship for town centre activities and also reduce expenditure on Christmas lights and other seasonal events.

8. Enterprise Centres - Underspend (£53,992)

The Enterprise Centres have had higher than anticipated occupancy levels which has led to increased income compared to budget.

9. PCMI - Overspend £95,075

Sales within PCMI manufacturing are below the targeted amount, resulting in a reduction in sales income. This shortfall will be met from within the overall PCMI Service, the source of funding has recently been identified and was not reported at 31st December 2013.

10. Community Learning - Overspend £63,000

Within Employment, Learning and Skills (*Community Learning*), a staffing restructure was expected to be completed by the end of July however anticipated savings were reduced as the restructure wasn't actually completed until end of August. In addition, the *Pride in Pompey* project lost a significant external funding contract, as funds were diverted to colleges. Further collaboration with the colleges is expected to replace this direct income stream but no formal agreement is expected to be in place until after April 2014.

13. Property Portfolio - Overspend £77,373

Once a City Council asset is declared surplus to requirements the holding and disposal costs of the property become the responsibility of the Property Portfolio. As these costs cannot be predicted or controlled by the Head of Service, no formal cash limit exists for this spend, and in previous years these costs have been absorbed by other underspends in the Portfolio. However, it is proposed that as a result of recent changes to the carry forward rules, and the identification of this pressure in advance, a bid to the corporate contingency will be made to ensure that any overspend is funded corporately, without impacting on the remaining Portfolio. In addition, to avoid this situation occurring in the future, an ongoing cash limit will be issued to this service from 2014/15 to reflect the anticipated ongoing need to incur costs for future assets disposals.

CAPITAL

The revised 2013/14 capital estimates for this Portfolio are summarised at Appendix B. A brief description and status of each scheme is included below.

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1. **City Centre Regeneration - Environmental Enhancements**
(Total Scheme Budget £703,781 - Spend to Date £673,588)
2. **City Centre Regeneration - Branding and Marketing**
(Total Scheme Budget £20,000 - Spend to Date £5,772)
3. **City Centre Interim Works**
(Total Scheme Budget £250,000 - Spend to Date £129,379)
4. **Southsea Shopping Centre**
(Total Scheme Budget £655,401 - Spend to Date £607,147)

11. **Enterprise Centre Dilapidations**
(Total Scheme Budget £40,000- Spend to Date £nil)

There has been no activity on any of the above schemes this year and as a result they are currently under a review to determine whether they will continue to form part of the Capital programme.

5. **North End Shopping Centre Regeneration**
(Total Scheme Budget - £400,000 - on target)

Overview of scheme

Regeneration of shopping area.

Progress

All capital work has been done but some remedial work is required on road and pavement surfacing.

Completion date

Due to complete 2014/15

6. **Palmerston Road (Total Scheme Budget £500,000 - on target)**

Overview of scheme

Palmerston Road improvements.

Progress

The commuted sum for future maintenance is still to be agreed. This will inform the final cost of the scheme.

Completion date

Agreement on commuted sum should be reached in 2014/15.

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7. Land Purchase - Unit H16 Limberline Spur (Total Scheme Budget £100,000 – Inactive)

Overview of scheme

Deposit for right to purchase of land.

Progress

Scheme is inactive.

Completion date

Scheme will only proceed if a decision is taken to go ahead and buy the land in order to extend the road.

This scheme is currently under review to determine whether it will continue to form part of the Capital programme.

9. Relocation of TIC to D Day Museum (Total Scheme Budget £98,000 - on target)

Overview of scheme

Relocation of Visitor Information Centre into D Day Museum.

Progress

Final paving works to be carried out.

Completion date

May 2014

10. Northern Quarter Road Upgrade (Total Scheme Budget £16,000,000 - on target)

Overview of scheme

Development of Northern Quarter road upgrade.

Progress

Scheme is ongoing.

Completion date

Unknown at present.

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**12. Provision of Horsea Island Bridge Link and Development of Surrounding Area
(Total Scheme Budget £34,999,500 - on target)**

Overview of scheme

Part of City Deal Development

Progress

Scheme is at a preliminary stage.

Completion Date

Unknown at present.

**13. Cosham High Street
(Total Scheme Budget £200,000-on target)**

Overview of scheme

Cosham High Street improvements.

Progress

Scheme is practically complete, the commuted sum figure is still to be agreed.

Completion date

March 2014

**14. Dunsbury Hill Farm Access Road
(Total Scheme Budget £9,690,000 - on target)**

Overview of scheme

Scheme is to build an Access Road to facilitate the development of future Dunsbury Hill Farm development.

Progress

Project is at the preliminary stage.

Completion date

Due to complete 2015/16.

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15. City Deal (Total Scheme Budget £124,217,000)

Overview of scheme

Development of City sites funded by City Deal.

Progress

Project is currently at the preliminary stage.

Completion date

Unknown at present.

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Signed by (Head of Service):

Appendices:

Appendix A - Revenue Budget
Appendix B - Capital Expenditure

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
Portfolio Net Requirement	

The recommendation set out above were approved/approved as amended/deferred/rejected by the Cabinet member for Culture, Leisure & Sport on the 11 October 2013