

CABINET MEMBER FOR RESOURCES DECISION MEETING

RECORD OF DECISIONS taken by the Cabinet Member for Resources, Councillor Hugh Mason, at his decision meeting held on Thursday 8 July 2010 at 8.30am in the Guildhall, Portsmouth.

Opposition Spokespersons Councillor Donna Jones (Conservative) and David Horne (Labour) were also present.

Officers present were Mandy Lindley, Third Sector Partnerships and Commissioning Manager, Louise Wilders, Head of Customer, Community and Democratic Services and Sue Page, Finance Manager.

Councillor Hugh Mason welcomed Opposition Spokespersons and officers to the meeting. He also welcomed the following invited guests in relation to agenda item 4:- Mr John Palmer (Chair), Portsmouth Third Sector Development Consortium. Mr Ian Piper, Chief Executive, Community First and Mr Tom Morton, Chair of the Community Network.

10 Apologies for Absence (AI 1)

There were no apologies for absence.

11 Declaration of Members' Interests (AI 2)

There were no prejudicial declarations of interest.

12 Portsmouth Partnership Improvement Plan Voluntary and Community Sector (AI 4)

(TAKE IN REPORT BY THIRD SECTOR PARTNERSHIPS AND COMMISSIONING MANAGER)

The Cabinet Member for Resources suggested taking agenda item 4 before agenda item 3 as several representatives of the Third Sector Development Group were in attendance. The Third Sector Partnerships and Commissioning Manager introduced the report stating that it was a follow-up to the Voluntary Sector Grants Report that had come before the Cabinet Member for Resources earlier in the year. The Cabinet Member had requested that further information be presented with regard to demonstrating the value of the Community First for Portsmouth contract and details of the Partnership Improvement Plan (PIP) and outcomes.

The Third Sector Partnerships and Commissioning Manager explained that one of the key actions for Portsmouth City Council in the Partnership Improvement Plan was the production of a Voluntary and Community Sector strategy or framework. This was being presented now for approval and it was intended to hold a full 12-week consultation with the wider Voluntary and Community Sector. The framework incorporated the Partnership Improvement Report, the Action Plan and the revised compact.

In response to questions, the Head of Customer, Community and Democratic Services, Louise Wilders, explained that the framework had been developed to give clarity about who has responsibility for what. It also gives clarity to what Portsmouth City Council would be buying and commissioning opportunities to those people best able to orchestrate this on behalf of Portsmouth City Council.

The Cabinet Member for Resources suggested that it would be sensible for Portsmouth City Council to have discussions with neighbouring authorities with a view to sharing information and commissioning especially in relation to capital, equipment and property. He said that it seemed that many Voluntary Sector bodies were short of equipment and premises whereas others were rich in this area. He also suggested that it may be possible to look at joint use of fixed capital. The Third Sector Partnerships and Commissioning Manager agreed that these were useful suggestions and that she would look into both of them.

Mr Ian Piper, Chief Executive, Community First for Portsmouth, then introduced Appendix 2 – Briefing Paper for Portsmouth City Council Resources Committee meeting, about Community First for Portsmouth and its activities. He explained that it was recognised that the core contract would not finance all the activities provided by Customer First for Portsmouth, but the core contract would be vital to enable additional resources to be levered into the organisation, city and sector.

Mr John Palmer, Chair of Portsmouth Third Sector Development Consortium, explained that things had changed over the last 12 months and there was now an increased focus on:

- (i) communication within and between the sectors
- (ii) partnership working for example collaborative work on tendering etc.
- (iii) support for the sector – there was now mutual support in the sector, and
- (iv) tighter commissioning including finding out what people want to see for their money.

During discussion the following points were made: -

- Councillor Donna Jones said that in the current economic climate, everything that is spent has to be justified and in order to ensure that funding is forthcoming, the Voluntary Sector will have to demonstrate that it is adding value. In particular, the Voluntary Sector needs to demonstrate to the Third Sector Partnerships and Commissioning Manager what is being done and what projects or other funding is being applied for and also where the money is going. Regular reports to the Third Sector Partnerships and Commissioning Manager were vital so that Portsmouth City Council knows where its money is going and what other income is coming in.
- Mr Piper said that the Charities Outcomes Model was a piece of software which designs outcomes and helps organisations to measure outcomes. This is currently being rolled out to the Third Sector. He explained that they are also looking to see how to develop outcomes across the city and have started to look at defining outcomes. He said that this was not always an easy task.
- Councillor Jones said that it would help protect the current funding level to the Voluntary Sector to be maintained if a sense of purpose and tangible figures could be shown. Detailed balance sheet type returns would help with this. Councillor Jones suggested that the Third Sector Partnerships and Commissioning Manager would be able to help with collating information in the form that would be most helpful in terms of maintaining funding. The Head of Customer, Community and Democratic Services said that it had been made clear in a meeting earlier in the week that Community First is an umbrella organisation and needs to state its aims and determine where the demand is. This will enable the organisation to determine what remains and what goes. Mr Piper said that a survey is currently being undertaken in order to evaluate and identify what the future needs will be in the Voluntary Sector. The Head of Customer, Community and Democratic Services emphasised that these matters needed to be dealt with quickly.
- Councillor Hugh Mason said that he felt that sharing back office functions as outlined in 3.5 of Appendix 2 is a good initiative and that perhaps this could be extended to considering what back office functions could also be shared with Portsmouth City Council. Mr Piper said he was currently finding out what support organisations get and from where and that if through efficiencies services could be purchased elsewhere then that would be the way forward.

- In response to a query about how it would be possible to demonstrate economic outcome from the work of more than 600 organisations, Mr Piper explained that they had a database called Merlin Database. However, the outcomes would be different for the various organisations. Only one third of the organisations can attract funding or grants and two thirds are purely voluntary. He felt that care needed to be taken that the focus is not just on the third of the voluntary organisations which could attract funding. He said that the majority of the remaining two thirds were concerned with health outcomes.
- In the past many of the organisations had been competing for funding and there was a history of protectionism which needed to be overcome.
- Mr John Palmer said that the Charity Evaluation Services/Models are appropriate for those organisations that have formal clear income streams. The main problem is the other two thirds. The Merlin Database is very important as it can communicate with smaller organisations but there is a need to persuade them that it is worth while signing up to it. The database defines which organisations are doing what and where in the city and what is being done as cross-border work. The Merlin Database also allows questions to be asked of the whole sector. So for example if there was a particular hot topic, then it would be possible to carry out a small survey. Mr Palmer said that it is likely that there were very many more voluntary groups in existence that are not yet on the Merlin Database.
- Councillor Jones said that her suspicion is that there is much more happening than Portsmouth City Council is generally aware of. Councillor Jones said that she felt that Community First branding was good but that the message about what Community First actually does needs to be communicated more vigorously.

The Third Sector Partnerships and Commissioning Manager said that there was standard monitoring in place for grants. There were also standard contracts and there was a need to introduce more commonality within them. She explained that work is being done with Procurement and that CIPFA training is being given to Local Authority officers. She also explained that social values needed to be captured within tender specifications. With regard to sharing data, this was a difficult issue but did lead to better outcomes for local people.

DECISIONS that:

- 1. the draft Voluntary and Community Sector framework (Appendix 1) be approved on behalf of PCC and that following the completion of the fuller 12-week consultation period with the wider Voluntary and Community Sector (VCS) that it be brought back for final approval.**

2. the paper (Appendix 2) prepared by Ian Piper, Chief Executive for Community First for Portsmouth, be noted.

3. the portfolio holder for Resources to advise of any further actions required in consultation with the Third Sector Partnerships and Commissioning Manager.

13 Budget Outturn 2009/10 – Revenue Cash Limit and Capital Programme (AI 3)

(TAKE IN REPORT)

Sue Page, Finance Manager, gave an overview of the report which compared the actual revenue expenditure outturn for 2009/10 with the controllable cash limit for that year and the outturn capital expenditure to the approved capital programme for this portfolio and provided information to enable an understanding of the reasons for variances. Sue Page explained that the overall outturn position on the portfolio is a net under spending of £18k representing 0.06% of total cash limited budget. This includes reported overspendings on “windfall” budgets which the portfolio has been able to absorb rather than be funded by PCC corporately. The net position also includes various other smaller under and over spendings as shown in Appendix A of the report.

The revised capital estimates and actual outturn costs 2009/10 for this portfolio are summarised in Appendix B of the report. Only one scheme shows a significant variation on the approved capital estimate - the Guildhall Square disabled access lift required to improve access to the Guildhall, the Civic Offices and the Library. The design is now a smaller scale and simplified structure compared with the first proposal and the total estimated cost of the scheme has now been reduced realising a saving of £100,000 on the approved capital estimate of £320,000.

The remaining schemes in the approved capital programme are forecast to be completed within their originally approved capital cost. However, a number of the projects have slipped in terms of their delivery to 2010/11. The approved capital budget for 2009/10 totalled £7.361m, but actual expenditure incurred totalled £4.713m, an under spend of £2.647m. The majority of this reduction is attributable to one scheme – MMD Cranes. The original estimate of £4.537m made provision for the purchase of two new cranes to be leased by the city council to the company. The business needs of the company currently require only one new crane. The need for a second crane will be kept under review and only acquired if supported by a business case.

In response to questions the following points were made:

- In response to a query from Councillor Mason on why the variant is greater than the actual expenditure, Ms Page advised that this could be accounted for because of slippage in terms of the contracts that have been placed. Councillor Mason requested that details of this be given to him by John Bean.
- With regard to the boiler system mentioned in Appendix A, the scheme was not completed until 2010/11 so only part of the cost is shown in 2009/10. Although the total cost of the scheme is currently forecast to be on target. Ms Page will notify Councillor Mason of the final cost when it is available.
- Ms Page reported that although there was an unallocated capital budget provision in respect of the second crane, as the financing for this was from “unsupported borrowing”, there were no unallocated corporate capital resources available for an alternative use. She agreed to confirm this position with Roger Ching and notify Councillor Mason, Councillor Jones and Councillor Horne.
- With regard to the over spend on page 4 Sue Page said that this was mainly in respect of bad debts provision. It was possible that this money would eventually be collected but that provision had to be made for bad debts. Ms Page said that in other areas of the portfolio, the provision for bad debt had been reduced. All large debts had to be notified to Roger Ching.
- Ms Page explained that some service/rental agreements did require an up front deposit which helps reduce the financial risk to the Council if the debtor defaults on their payments.

14 Date of Next Meeting

The date of the next meeting scheduled for 7 October 2010 would be changed to allow for the 12-week consultation period in respect of the draft Voluntary and Community Sector framework to be completed.

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 Councillor Hugh Mason
 Cabinet Member for Resources