



NOTICE OF MEETING

CABINET MEMBER FOR RESOURCES

THURSDAY, 5 DECEMBER 2013 AT 9.00 AM

THE EXECUTIVE MEETING ROOM - THIRD FLOOR, THE GUILDHALL

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CABINET MEMBER FOR RESOURCES

Councillor Hugh Mason (Liberal Democrat)

Group Spokespersons

Councillor David Horne, Labour

Councillor Simon Bosher, Conservative

(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 **Monitoring of the Second Quarter 2013/14 Revenue Cash Limits and Capital Programme (Pages 1 - 14)**

To consider a report which informs 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 contents of the report be noted.

4 Portsmouth Compact - Update report (Information report) (Pages 15 - 34)

An information item is attached by the Head of Integrated Commissioning Unit (Interim) seeking to update the Cabinet Member for Resources on the revision and the re-launch of the Portsmouth Compact.

5 Grant Applications from the Twinning Advisory Group

The purpose of the report is to submit twinning related grant applications received and considered by the Twinning Advisory Group on 27 November 2013 for consideration and decision by the portfolio holder. Details of the 5 applications are to follow.

RECOMMENDED that

- (1) the portfolio holder considers the grant applications received taking into account the views of the Twinning Advisory Group and;**
- (2) approves the value of each grant application**

6 Date of next meeting

The date of the next scheduled meeting is 23 January 2014.

Agenda Item 3



Portsmouth
CITY COUNCIL

Agenda item:

3

Decision maker:	Cabinet Member for Resources Portfolio
Subject:	Monitoring of the Second Quarter 2013/14 Revenue Cash Limits and Capital Programme
Date of decision:	5th December 2013
Report by:	Head of Financial Services (Written by Andrew Parry)
Wards affected:	ALL
Key decision:	No
Budget & policy framework decision:	No

1. Summary

- 1.1 This report compares the forecast revenue outturn 2013/14 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 reasons 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 2013/14

	£'000s
Net Requirement	27,767
Less - Capital Charges	2,409
- Net Insurance Costs	(53)
- FRS17	860
- Employee Benefit Accruals	468
Controllable Cash Limit 2013/14	<u>24,083</u>

Forecast Outturn 2013/14

	£'000s	% of Budget
Actual Net Expenditure 1 Apr 2013 to 30 Sep 2013	11,261	46.76%
Forecast Net Expenditure 1 Sep 2013 to 31 Mar 2014	12,527	52.02%
Total Forecast Controllable Expenditure 2013/14	<u>23,788</u>	98.78%
Controllable Cash Limit	24,083	
Forecast Variance - (Under)/Overspend	<u>(295)</u>	1.22%

4.2 Appendices

- 4.3 An analysis of this Portfolio's variations from the revenue cash limit is attached at Appendix A.
- 4.4 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

The provisional forecast outturn for the Portfolio compared to the cash limit indicates a net underspend of £294,800.

- 5.1 Within the portfolio there are services whose budgets are deemed 'windfall' budgets by the City Council. These services are, Rent Allowances, Rent Rebates, Land Charges, Discretionary Non Domestic Rate relief and District Audit Fees. These 'windfall' budgets represent income and expenditure which is demand led and largely out of the control of budget managers. Consequently

any under or over spending is absorbed corporately. Excluding 'windfall' variances gives a net underspend on the Portfolio of £284,300, i.e. 1.22%.

Total Variance (under spend)	£ (295,000)
<u>Less</u>	
Rent Allowances and Rent Rebates	(19,200)
Land Charges	9,000
Audit Fees	(500)
<u>Net 'controllable' (under spend)</u>	<u>(284,300)</u>

5.2 The main areas of variance are as follows:

5.3 Item 1 Miscellaneous Expenses - forecast under spend £25,100

Included within Miscellaneous Expenses is the budget for trade union secondments. The profile of secondments in terms of staff time and cost is lower than the maximum allowable within the overall budget resulting in a forecast underspend of £24,800.

Item 2 HR, Legal and Performance – forecast overspend £80,600

5.4 At this stage of the year, Legal Services income is currently forecast to be lower than anticipated due, in part, to a shift towards corporately based enabling initiatives as opposed to income generating work from outside of the general fund such as through the Housing Revenue Account. Although this suggests an overspend in the short term, as work is undertaken on the displaced projects forecast income levels may improve in the future.

A full service review to increase efficiency, generate savings and thereby reduce the budget shortfall is currently in progress. Within legal services this process is complete and appointments have been made thereby removing the need for locum staff. Action to reduce costs within HR is concluding which will further mitigate overspends within this area.

Item 6 Financial Services - forecast underspend £66,500

5.5 Due to ongoing saving requirements vacant posts will where operationally possible be held in anticipation of future efficiency requirements. This has resulted in a forecast under spend attributable to the staffing budget.

5.6 Item 8 AMS Design & Maintenance - forecast underspend £15,000

Allowance was made in the 2013/14 budget for the purchase of a new despatch van. Due to potential legislation changes introducing free school meals for all infant schools the purchase has been delayed pending a review of how this may affect future vehicle requirements.

5.7 Item 9 Property Services - forecast under spend £37,000

Difficulties associated with the recruitment of staff to review the Investment Property portfolio has resulted in a forecast underspend in the 2013/14 year. An appointment has now been made.

5.8 Item 18 Local Welfare Assistance Scheme - forecast under spend £96,500

Previously the Social Fund provided 'Community Care Grants' and 'Crisis Loans' but these were abolished by the government at the end of the 2012/13 financial year as part of its policy on Welfare Reform.

This has been replaced by The Local Welfare Assistance Scheme which is a limited fund which will only be used to support those in greatest need with the funding of emergencies and exceptional expenses. At present an underspend is forecast based on the claimant rate to date however given that the number and value of claims is subject to significant variation this position is kept under detailed review.

Item 19 Benefits Administration – forecast under spend £128,400

5.9 Due to on-going saving requirements vacant posts will, where operationally possible, be held in anticipation of future efficiency requirements. This has resulted in a forecast under spend in the staffing budget.

Item 22 Democratic Representation & Management - forecast overspend - £17,200

5.10 This budget heading comprises Twinning, Committee Meetings, Members Expenses, Members Support, Democratic Services, Monitoring Officer and Corporate Subscription Services.

An over spend of £12,800 is forecast against Members Expenses. Members qualify for only one responsibility payment even if multiple positions are held by an individual. During 2013/14 one additional regulatory chair and one additional opposition group spokesperson allowance has become payable since these posts are held by Members not already in receipt of allowance payments. In previous years variances in this area have been managed through under spends within other service areas. Work to identify similar action will be undertaken in 2013/14.

6. Summary

- 6.1 The overall forecast outturn position on the portfolio is a net underspend of £294,800 representing 1.22% of the total cash limited budget. Within this net position there are various other less significant under and overspendings as shown in Appendix A. 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. Should the portfolio outturn remain underspent at the year end, the balance will be transferred to the Portfolio earmarked reserve.

7. Capital Programme

- 7.1 The revised capital programme has been updated to reflect the impact of new starts approved at the City Council budget meeting on 11th November 2013, further approved amendments, re-phasing of expenditure into future years and the removal of completed schemes.

The updated monitoring statement is attached at Appendix B.

- 7.2 New schemes approved at the City Council meeting and those added since 11th November 2013 are as follows:

Scheme Name	£,000
IS Data Centre Phase 2 (item 15)	150
IS Road Map (item 18)	200
Call Recording System (item 27)	90
Working Anywhere (item 28)	980
Commercial Letting of Brunel Wing (item 29)	600
World War 2 Memorial Guildhall Square (item 30)	97
PSN CoCo Compliance (item 31)	192
Replacement Emergency Generator (item 32)	145
Civic Office Ducting (item 33)	90

- 7.3 These new schemes have been incorporated into the latest capital monitoring statement (Appendix B) and are set out in more detail below together with details of any material changes to existing schemes.

7.4 Item 15 IS Data Centre Phase 2

Following the successful completion of the new IS datacentre, a limited reworking of the accommodation space is required. Works will comprise, creation of an operations space, kitchen, meeting area, secure storage, build areas and printing facilities. Funding is through a £150,000 revenue contribution from the Information Service revenue budget.

7.5 Item 18 IS Road Map

The IS road Map supports a rolling programme of IT infrastructure renewal spanning current and future financial years. Funded through a series of contributions from the Information Services revenue budget, it provides for known items that are essential for the council to continue its business. A further £200,000 contribution has been included in the 2014/15 period.

7.6 Item 27 Call Recording System

Existing call recording systems have reached an age where they are unsupportable and beginning to cause operational issues. In order to maintain the quality of service provided by the City Help Desk and to ensure that the Council meet legislative requirements for telephone payments, a replacement software system is required.

7.7 Item 28 Working Anywhere.

Linking with the Council's transformation agenda, the Working Anywhere project will equip the Council with an ICT infrastructure to enable increased flexibility in the physical location that employees can work from. It will subsequently support the release of the Brunel Wind (item 29) and further enhance employees interface with the ICT environment.

It is anticipated that the scheme will complement the accommodation plan and as such, will be driven by its implementation schedule.

7.8 Item 29 Commercial letting of Brunel Wing.

Separation of the Civic Offices Brunel Wing from the remaining Civic Offices will be achieved through the establishment of a security door system, infrastructure changes and upgrading of lifts within core 5. This will enable the wing to be let commercially, thereby delivering savings to the Council's general fund.

In addition to any tangible cash savings this scheme complements the Council's corporate priorities by helping to regenerate the economic offering within the city centre and Guildhall Square.

It is anticipated that all works will be completed by the end of 2014/15.

7.9 Item 30 World War II memorial Guildhall Square

Managed by the World War II Memorial Trust this scheme aims to ensure the names of all Portsmouth residents killed during the Second World War are included on a memorial.

The scheme covers both service and civilian names. Currently service names A through to Scott have been installed. The cost of this has been met from fundraising and donations. This capital scheme aims to complete the names.

7.10 Item 31 PSN CoCo Compliance

Controls set by the Public Sector Network (PSN) Authority to access secure government systems such as those relating to benefit data from the Department for work and pensions are becoming incompatible with existing arrangements. As such, this scheme will procure and implement the necessary software and hardware to maintain secure connection to Government Systems.

7.11 Item 32 Replacement Emergency Generator

Following recent tests during the Civic Offices closedown the original 1970's generator proved unable to maintain the IT Data Centre, CCTV / Traffic control systems and telephones concurrently during a power failure. These systems have been identified by the Civil Emergency Team as essential in supporting a minimum service level.

In order to comply with Civil Emergency requirements, a new generator will be installed during 2014/15 able to exceed minimum power requirements.

A further benefit of enhanced electricity security will be the Information Services increased ability to sell services to other organisations.

7.12 Item 33 Civic Offices Ducting

Duct work within the Civic Offices has not been cleaned since construction of the building. A build up of dirt has affected the performance of the buildings ventilation system through clogging mechanisms and heat exchangers.

Work to clean ductwork, realign dampers and reconfigure problems areas will improve the buildings ventilation and air quality.

7.13 The re-phasing of expenditure and the changes reported above have resulted in the revised estimate for 2013/14 increasing from £5,083,371 to £5,327,037.

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 represents the forecast outturn position on the Resources portfolio's approved revenue and capital budgets as at the end of September 2013.

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Signed 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 5th December 2013

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Signed by: Cabinet Member for Resources

PORTFOLIO	Resources
BUDGET	24,082,923
TOTAL CASH LIMIT	24,082,923

CHIEF OFFICER Various
MONTH ENDED September

Risk indicator	
Low	L
Medium	M
High	H

ITEM No.	BUDGET HEADING
1	Miscellaneous Expenses
2	HR, Legal and Performance
3	Transformation Workstream Investment
4	Customer & Community Services
5	Grants & Support to the Voluntary Sector
6	Financial Services
7	IT Services Unit
8	AMS Design & Maintenance
9	Property Services
10	Landlords Repairs & Maintenance
11	Spinnaker Tower
12	MMD Crane Rental
13	Administration Expenses
14	Council Tax Benefits
15	Housing Benefit - Rent Allowances
16	Housing Benefit - Rent Rebates
17	Local Taxation
18	Local Welfare Assistance Scheme
19	Benefits Administration
20	Discretionary Non-Domestic Rate Relief
21	Land Charges
22	Democratic Representation & Management
23	Corporate Management
TOTAL	

BUDGET PROFILE 2013/14				
Budget Profile To End September	Actual To End September	Variance vs. Profile To September		RISK INDICATOR
		£	%	
45,800	(23,393)	(69,193)	(151.1%)	
1,680,600	1,675,133	(5,467)	(0.3%)	
0	103,638	103,638	-	
1,314,900	1,025,661	(179,650)	(13.7%)	
641,800	590,581	(51,219)	(8.0%)	
2,649,800	2,599,784	(50,016)	(1.9%)	
2,456,800	2,271,286	(185,514)	(7.6%)	
466,700	321,009	(145,691)	(31.2%)	
157,800	114,075	(43,725)	(27.7%)	
667,300	(257,152)	(924,452)	(138.5%)	
(175,000)	(139,457)	35,543	20.3%	
(192,700)	(192,743)	(43)	(0.0%)	
5,000	194	(4,806)	(96.1%)	
0	123	123	-	
(371,500)	(452,781)	(81,281)	(21.9%)	
(74,000)	(147,018)	(73,018)	(98.7%)	
1,055,800	1,009,613	(46,187)	(4.4%)	
426,400	504,664	78,264	18.4%	
1,230,700	879,659	(351,041)	(28.5%)	
0	0	0	-	
(25,000)	(30,995)	(5,995)	(24.0%)	
612,000	641,754	29,754	4.9%	
689,300	767,584	78,284	11.4%	
TOTAL	13,262,500	11,261,219	(2,228,835)	(16.8%)

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

BUDGET PROFILE 2013/14				
Total Budget	Forecast Year End Outturn	Variance vs. Total Budget		RISK INDICATOR
		£	%	
99,623	74,500	(25,123)	(25.2%)	M
3,287,600	3,368,200	80,600	2.5%	M
0	380,000	380,000	-	L
1,882,000	1,870,500	(11,500)	(0.6%)	L
719,200	719,200	0	0.0%	L
5,102,600	5,036,100	(66,500)	(1.3%)	M
4,865,700	4,865,700	0	0.0%	M
962,600	947,600	(15,000)	(1.6%)	M
349,000	312,000	(37,000)	(10.6%)	H
1,334,600	1,334,600	0	0.0%	H
(350,000)	(350,000)	0	0.0%	H
(385,400)	(385,400)	0	0.0%	L
5,000	5,000	0	0.0%	M
0	100	100	-	M
(679,200)	(729,700)	(50,500)	(7.4%)	H
(148,600)	(117,300)	31,300	21.1%	H
1,329,000	1,325,700	(3,300)	(0.2%)	L
726,200	629,700	(96,500)	(13.3%)	
2,443,600	2,315,200	(128,400)	(5.3%)	M
179,500	179,500	0	0.0%	L
(82,400)	(73,400)	9,000	10.9%	M
1,197,000	1,214,200	17,200	1.4%	M
1,245,300	1,246,200	900	0.1%	M
TOTAL	24,082,923	24,168,200	85,277	0.4%

	(380,000)
TOTAL	24,082,923
	23,788,200
	(294,723)
	(1.2%)

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

Item No.	Reason for Variation	Variance £
2	The HR, Legal and Performance Management budget is currently forecast to be overspent due to both a shortfall in predicted income within Legal services and a service review still to be fully implemented. The income shortfall has arisen because of a shift of resources to corporate based enabling initiatives as opposed to fee earning work.	80,600
3	The initial investment for the Transformation Workstream Business Cases was agreed by City Council on 11th October 2011. As expenditure is incurred, a release from the Medium Term Resource Strategy reserve will be actioned to fund these costs.	380,000
6	Underspend due to holding of vacancies where possible in order to prepare for savings requirements in future years.	(66,500)
8	Underspend is due to the delay of purchasing a Despatch van which was previously in this budget, but is now no longer being purchased in the current financial year. This is due to potential changes in legislation introducing free school meals for all infant school meals from September 2014. The impact on the Despatch service is currently being assessed as vehicle requirements could be affected.	(15,000)
9	There is an underspend in the current financial year due to difficulty recruiting to a 1 year project post to review the Investment Property Portfolio Assets. This post has now been filled.	(37,000)
18	The Local Welfare Assistance scheme is a limited fund that can only be used to support those in greatest need, providing help towards the funding of emergencies and exceptional expenses. Based upon the claims made to date this budget is forecast to be underspent, however, the number and value of claims could change, therefore the position will be kept under review.	(96,500)
19	Underspend due to holding of vacancies where possible in order to prepare for savings requirements in future years.	(128,400)
	Other minor variations over the remaining budget headings	(31,923)
	TOTAL PROJECTED VARIANCE	85,277

Remedial Action	Value of Remedial Action
The Head of Service is concluding the service review which should deliver additional savings to eradicate this element of the budget shortfall and work is on-going to close the income shortfall by where possible diverting resources to maximise the amount of fee earning work.	
A planned release from the MTRS Reserve will fully meet the costs of the approved Transformation Business Cases	(380,000)
TOTAL VALUE OF REMEDIAL ACTION	(380,000)

Note Remedial Action resulting in savings is shown in brackets

RESOURCES PORTFOLIO

Capital Monitoring Statement - 2013/14

Meeting Date : 5th December 2013

APPENDIX B

Item No.	Scheme	Source of Finance	Expenditure to 31-Mar-13 £	Revised Budget 2013/14 £	Total Expenditure to 30th September 2013 £	Forecast Expenditure 2013/14 £	In Year Variance / (Savings) £	Approved Estimate 2014/15 £	Total Approved Budget £	Final Cost £	Total Scheme Variance / (Savings) £	Progress to Date/ Comments
1	Website Customer Relationship Management system	CorpRsv CorpRsv	18,607 11,080	24,413 0	0.00 0.00	24,413 0	0 0	0 0	43,020 11,080	43,020 11,080	0 0	The scheme has been in an extended planning and implementation phase during 2011/12 and 2012/13 to complement the overall Information Services web strategy. 0 This phase of the scheme is complete.
Sub Total:			29,687	24,413	0.00	24,413	0	0	54,100	54,100	0	
2	Landlord's maintenance - capitalised repairs	CorpRsv / CMR	1,279,090	169,453	46,096.00	169,453	0	0	1,448,543	1,448,543	0	The 2012/13 budget allocation was utilised to upgrade the Civic Offices Plant. Problems with heating and air distribution through ductwork delayed completion of the scheme and required further funding through a revenue contribution in the 2013/14 period.
3	Project Management	CorpRsv	0	189,000	0.00	189,000	0	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.
4	ICT Security - Data Encryption	CorpRsv	301,734	41,231	(1,650)	41,231	0	0	342,965	342,965	0	Enhancements to the ICT Security framework. Scheme should complete in 2013/14.
5	Landlords Maintenance 2011/12	CorpRsv/CP(DCSF)	1,145,577	304,608	433,768	304,608	0	318,449	1,768,634	1,768,634	0	Funding allocated for urgent repairs based on the priority of need.
	Landlords Maintenance 2013/14	CorpRsv.	0	748,000	21,298	748,000	0	302,000	1,050,000	1,050,000	0	New funding allocated as part of the 2013/14 Capital Programme approval for essential works critical to maintaining operational buildings.
Sub Total:			1,145,577	1,052,608	455,066.00	1,052,608	0	620,449	2,818,634	2,818,634	0	
6	Landlords Maintenance Capital Contingency 2012/13	CorpRsv	0	338,103	0	338,103	0	11,897	350,000	350,000	0	New funding allocated as part of the 2012/13 revised Capital Programme approval for essential works critical to maintaining operational buildings.
	Landlords Maintenance Capital Contingency 2013/14	CRGG	0	0	0	0	0	196,000	196,000	196,000	0	New funding allocated as part of the 2013/14 Capital Programme approval for essential works critical to maintaining operational buildings.
Sub Total:			0	338,103	0.00	338,103	0	207,897	546,000	546,000	0	
7	MMD - Capital Loans	UB	3,194,000	250,000	0.00	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.
8	Asset Management System	B	102,133	197,884	12,606.00	197,884	0	0	300,017	300,017	0	Further development work to enhance its interface with Financial Reporting requirements has delayed the completion date until late 2013/14.
9	Major Repairs to Corporate Property Portfolio	CorpRsc/CRGG	876,113	523,858	151,735.00	523,858	0	0	1,399,971	1,399,971	0	Miscellaneous repair works to PCC properties. £99,600 has been transferred to fund additional lift repairs within the Landlords Maintenance Capital Contingency budget. This was achieved through the removal of contingency to cover delays or difficulties in the overall programme. Further funding approvals of £45,000 for waterproofing the Yellow Kite Cafe and £14,000 towards repairs at Victoria Pier have been included.
10	Merefield House Relocation and Civic Offices Customer Access Refurbishment	CorpRsv RCCO	501,009 15,000	129,958 1,400	10,716.00 0.00	129,958 1,400	0 0	0 0	630,967 16,400	630,967 16,400	0 0	Relocation of staff, closure and sale of surplus asset. Staff transferred in April / May 2012. Remaining works to complete in 2013/14. A further budget allocation of £15,000 has been made from the Civic Administration Buildings revenue budget to cover additional Mechanical and Electrical works. 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	10,716.00	131,358	0	0	647,367	647,367	0	
11	Dame Judith Prof. Centre - Relocation of Services	CorpRsv CP(DCSF)/CM	56,600 41,076	0 69,324	0.00 0.00	0 69,324	0 0	0 0	56,600 110,400	56,600 110,400	0 0	Works associated with the closure and disposal of the centre. A delay in phase 2 of the ground works has resulted in an extended completion date of late 2013/14
Sub Total :			97,676	69,324	0.00	69,324	0	0	167,000	167,000	0	

RESOURCES PORTFOLIO

Capital Monitoring Statement - 2013/14

Meeting Date : 5th December 2013

APPENDIX B

Item No.	Scheme	Source of Finance	Expenditure to 31-Mar-13 £	Revised Budget 2013/14 £	Total Expenditure to 30th September 2013 £	Forecast 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
12	Replacement of Cash Handling System	CorpRsv	37,088	163,911	21,868.00	163,911	0	0	201,000	201,000	0	Project in planning stages through 2011/12 and 2012/13. Final completion date will be dependant on the introduction schedule of Oracle Release 12 upgrade (item 16).
13	Civic Offices Catering - Coffee Shop	CorpRsv	61,293	7,960	0.00	7,960	0	0	69,252	69,252	0	The View Coffee Shop is open. Further work due in 2013/14 to create store room and improved seating area.
14	IS Data Centre	RCCO	98,418	35,170	23,168.00	35,170	0	0	133,588	133,588	0	The scheme is complete and the IS data centre is operational. Remaining budget is available to cover retention and finishing works.
		CorpRsv	721,712	0	0.00	0	0	0	721,712	721,712	0	
	IS Data Centre Chillers	CMR	123,881	10,519	0.00	10,519	0	0	134,400	134,400	0	
Sub Total :			944,011	45,689	23,168.00	45,689	0	0	989,700	989,700	0	
15	IS Data Centre Phase 2	RCCO	0	150,000	0.00	150,000	0	0	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.
16	Update of Oracle E-Business Suite (EBS) to Release 12	ODR	355,543	119,461	166,116.00	119,461	0	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 2013/14.
17	Transformation Programme - Customer Management	UB	15,592	76,908	15,608.00	76,908	0	92,500	185,000	185,000	0	Tender stage has completed, works comprise hardware and software elements. Forecast to complete by early 2014/15.
18	IS Road Map	RCCO	0	220,000	0.00	220,000	0	815,000	1,035,000	1,035,000	0	Rolling programme of IT infrastructure renewal. The Scheme has been enhanced through further contributions from the IS Revenue budget of 0 £350,000 and £200,000 respectively.
19	Review of Business Software (windows 7)	CorpRsv	623,675	910,825	137,895.00	910,825	0	0	1,534,500	1,534,500	0	Upgrade all computers to windows 7 completion due in 2013/14.
		ITR	49,500	0	0.00	0	0	0	49,500	49,500	0	
Sub Total:			673,175	910,825	137,895	910,825	0	0	1,584,000	1,584,000	0	
20	HR Self Serv & I expenses	OR	223,209	57,322	14,746.00	57,322	0	0	280,532	280,532	0	Completion due by early 2014/15.
		RCCO	0	0	0.00	0	0	50,000	50,000	50,000	0	
		MTRS	287,468	0	0.00	0	0	0	287,468	287,468	0	
Sub Total :			510,677	57,322	14,746.00	57,322	0	50,000	618,000	618,000	0	
21	Legal Case Management Software	MTRS	0	96,000	648.00	96,000	0	0	96,000	96,000	0	Development of an online legal case management system. Funded via the MTRS reserve as a spend to save scheme.
22	Replace Oldest Quay Tugs (MMD)	CorpRsv	0	30,000	0.00	30,000	0	0	30,000	30,000	0	Approved as part of the Feb 2013 budget. Grant to MMD will be used to facilitate replacement of 5 out of 25 Tugs which are currently over 25 years old and uneconomical to repair.
		MTRS	0	63,000	0.00	63,000	0	0	63,000	63,000	0	
Sub Total :			0	93,000	0.00	93,000	0	0	93,000	93,000	0	
23	Purchase of Haulage Trailers (MMD)	MTRS	0	63,000	63,000.00	63,000	0	0	63,000	63,000	0	Grant to MMD to facilitate purchase of Haulage Trailers.
24	Voltage Reduction & Power Cleaning (MMD)	MTRS	0	137,000	37,000.00	137,000	0	0	137,000	137,000	0	Grant to MMD to facilitate voltage reduction and cleaning upgrade.
25	Guildhall Capital Works	CorpRsv	687,065	57,675	76,672.00	57,675	0	0	744,740	744,740	0	This budget is funded through a revenue contribution from the Landlords Maintenance budget and release from the Guildhall Maintenance Reserve to enable back log repairs to the Guildhall.
26	Revenue and Benefits EDMS replacement	CorpRsv	0	95,000	0.00	95,000	0	0	95,000	95,000	0	Upgrade of equipment and software used to manage documents within the Revenue and Benefits service. Funding is via an approved revenue carry forward from 2012/13.
27	Call Recording System	CorpRsv	0	0	0.00	0	0	90,000	90,000	90,000	0	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.

RESOURCES PORTFOLIO

Capital Monitoring Statement - 2013/14

Meeting Date : 5th December 2013

APPENDIX B

Item No.	Scheme	Source of Finance	Expenditure to 31-Mar-13 £	Revised Budget 2013/14 £	Total Expenditure to 30th September 2013 £	Forecast Expenditure 2013/14 £	In Year Variance / (Savings) £	Approved Estimate 2014/15 £	Total Approved Budget £	Final Cost £	Total Scheme Variance / (Savings) £	Progress to Date/ Comments
28	Working Anywhere	CorpRsv CP(DH)CG	0 0	0 0	0.00 0.00	0 0	0 0	912,656 67,344	912,656 67,344	912,656 67,344	0 0	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	0	980,000	980,000	980,000	0	
29	Commercial Letting of Brunel Wing	CorpRsv CP(DCSF)CM	0 0	0 0	0.00 0.00	0 0	0 0	591,227 8,773	591,227 8,773	591,227 8,773	0 0	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	0	600,000	600,000	600,000	0	
30	World War 2 Memorial Guildhall Square	CorpRsv OC	0 0	0 0	0.00 0.00	0 0	0 0	27,000 70,000	27,000 70,000	27,000 70,000	0 0	Scheme is currently underway with names A through to Scott in place. Portsmouth City Council has contributed £30,000 to the scheme with the remaining costs funded through ongoing fundraising.
Sub Total :			0	0	0	0	0	97,000	97,000	97,000	0	
31	PSN CoCo Compliance	CorpRsv	0	0	0.00	0	0	192,000	192,000	192,000	0	Scheme to comply with the Public Sector Network (PSN) Authority requirements for authorities that connect to secure government systems.
32	Replacement Emergency Generator	CP(DCSF)CM	0	0	0.00	0	0	145,000	145,000	145,000	0	Installation of a new generator to ensure safe operation of key services based in the civic offices.
33	Civic Office Ducting	CP(DCSF)CM	0	0	0.00	0	0	90,000	90,000	90,000	0	Scheme to clean ductwork, realign dampers and reconfigure ducts in problematic areas.
On going Schemes Total			10,826,463	5,280,983	1,231,290	5,280,983	0	7,574,346	23,681,791	23,681,791	0	
Completed Schemes			3,371,333	46,054	-5,183	-5,183	(40,780)	0	3,417,387	3,366,150	(51,237)	
GRAND TOTAL			14,197,796	5,327,037	1,226,107	5,275,800	(40,780)	7,574,346	27,099,178	27,047,941	(51,237)	

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 Year)	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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THIS ITEM IS FOR INFORMATION ONLY

Title of meeting:	Resources Portfolio Decision Making Meeting
Subject:	Portsmouth Compact Update Report
Date of meeting:	5 th December 2013
Report by:	Jo York, Head of Integrated Commissioning Unit (Interim)
Wards affected:	All

1. Requested by: Portfolio Holder

2. Purpose

This report is seeking to update the Cabinet Member for Resources on the revision and re-launch of the Portsmouth Compact

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 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.
- 3.2 As well as the national Compact, most areas in England (including Portsmouth) also have a local Compact, which interprets the principles set out in the Compact to reflect local need. Signatories can include representation from councils, healthcare organisations, social care organisations, police, fire, and housing, amongst others.
- 3.3 Local Compacts have become an established feature of local partnership working in most parts of England. In the 2013 Compact Voice survey of local Compacts, 89% of respondents agreed that 'the Compact is important and effort needs to be made to implement it in full'. Local Compacts can work anywhere and where they do, they are highly valued by all.

THIS ITEM IS FOR INFORMATION ONLY

- 3.4 The Portsmouth Compact was originally launched in 2004; a multi-agency Compact working group, which included representatives from both the voluntary and public sectors, met regularly to promote and ensure implementation of the Compact

4 Current Situation

- 4.1 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 encompassed in the framework. Key partners included:

- Community First For Portsmouth
- LSP's Community Involvement Partnership Board
- The Third Sector Leadership group
- Portsmouth Third Sector Development Consortium
- Community Network
- Compact Review group
- Portsmouth City Council

The framework was published in 2010 and since then there have been a number of changes within the voluntary and community sector in Portsmouth, with some organisations no longer in existence.

- 4.2 A new infrastructure provider for the city, Community Action in Portsmouth, (CAiP) was appointed and started delivery in July 2012. A key action in their contract is "*the implementation of the VCS Framework including the Compact*" and this is monitored and discussed at regular partnership and contract meetings. Following the 2013 Peer Challenge a recommendation was 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.*"

- 4.3 A working group, comprising representatives of the voluntary and community sector and Portsmouth City Council have now looked closely at the current Compact. Having done this no major changes to the content/principles of the current Compact are considered to be necessary. What is proposed is:

- Having the Compact as a stand-alone document (it is currently part of the Voluntary and Community Sector Framework)
- Re-branding
- Updating links and contact details
- Including a section on the Social Value Act which has been introduced since the last Compact revisions
- Including a (disputes) resolution flowchart
- Promotion of Commissioning Plans

- 4.4 It was agreed by the working group that a key action is to raise awareness of the Compact, and to encourage both voluntary and statutory sectors to use the processes. VCS organisations will be encouraged to sign up to the revised Compact on an individual basis, rather than CAiP signing on behalf of the whole sector. It is felt that if organisations sign up individually they will have more "ownership" and better understanding.

THIS ITEM IS FOR INFORMATION ONLY

4.4 The ownership of the revised Portsmouth Compact sits with Portsmouth Voluntary and Community Sector Network (facilitated by CAiP). The Voluntary Sector Team leads on the Compact on behalf of PCC.

5 Proposals

5.1 It is proposed to circulate the revised document to VCS contacts and to PCC colleagues and members by the end of November 2013. Both PCC and CAiP will circulate the document and people/organisations can respond to either CAiP or PCC. We are currently in discussion with the Community Engagement Team about the best ways to use the Consultation process to do this. Suggestions/revisions will be considered by a small working group comprising PCC and VCS representatives.

5.2 The revised Portsmouth Compact will be re-launched in the spring of 2014 at the "Festival of Ideas", an event being held to showcase the Voluntary Sector to commissioners in the city. The Compact will be re-branded and sign up will be encouraged from a range of agencies from the voluntary and statutory sectors.

.....
Signed by (Head of Service)

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

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A Statement for Partnership Working in Portsmouth

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

In particular, the public sector and the voluntary and community sector share a common set of principles, which are at the heart of what they are both trying to achieve. These principles make it clear that the Portsmouth Compact is neither a set of rules nor a bureaucratic burden, but a way of working that can help deliver real outcomes and improvements for people and communities. These principles have been created to help the local statutory and voluntary and community organisations build relationships and work together effectively in partnership. The Portsmouth Compact put these shared principles into practice.

Shared Principles for working together:

Respect: Statutory and voluntary and community organisations are accountable in different ways, but both 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 and community sector value a thriving civil society, which brings innovation and choice through a multitude of voices.

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

Citizen Empowerment: By working together, statutory and voluntary and community sector 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

Voluntary and community organisations 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 and community sector can help statutory authorities develop policies that meet the needs of people and communities.

Involving the voluntary and community sector in policy development is a continuous process right from the earliest stages of policy development. It includes a range of methods – from informal engagement to full-scale public consultation.

Commitments for statutory sectors

1. When to involve

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

Statutory Sector undertakes to:

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

2. Who to involve?

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

Statutory Sector undertakes to:

- 2.1 Identify and remove barriers, such as language barriers, which may prevent voluntary and community organisations from contributing to policy development.
- 2.2 Encourage and facilitate responses from the full range of voluntary and community organisations that are likely to have a view.
- 2.3 Support the development of voluntary and community sector infrastructure. Infrastructure bodies enable voluntary and community

organisations to help people and communities effectively, through services such as capacity building, representation and other forms of support.

- 2.4 Identify where there are costs to voluntary and community sector organisations as a result of partnership work with the statutory sector and offer support on a clear and consistent basis. This can be especially important for infrastructure bodies that are helping to organise or run consultations.

3. How to involve?

Voluntary and Community Organisations can provide stronger and better-informed responses if the consultations 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 organisation.

Statutory Sector undertakes to:

- 3.1 Avoid compromising or undermining the independence of the voluntary and community organisations (whatever financial or other relationship exists between them).
- 3.2 Give notice 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 Explain 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 and community organisations to involve their service users, beneficiaries, members, volunteers and trustees in preparing responses.
- 3.7 Conduct 12 week formal written consultations where possible, providing an explanation for shorter time frames.
- 3.8 Make voluntary and community organisations aware the consulting organisation's obligations under the Freedom of Information Act 2000. Where appropriate protect the confidentiality of information that has been supplied by a voluntary and community organisation for the consultation.

Commitments for the voluntary and community sector

4. Effective Involvement

When the voluntary and community 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 voluntary and community sector views.

Voluntary and community sector undertake to:

- 4.1 Involve service users, beneficiaries, members, volunteers and trustees when preparing responses to consultations.
- 4.2 Give feedback on what information is presented to statutory sector and what the outcome is to everyone involved in responding to the consultation.
- 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 what audience), or whether the response is based on the organisation's knowledge and experience of the issues.
- 4.4 Make sure all research and information that is presented to 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 statutory sector for the consultation.
- 4.6 Promote statutory sector consultations across the voluntary and community sector, where appropriate.
- 4.7 Accept that, in rare cases, consultations may need to take place in shorter time-frames than 12 weeks.

ALLOCATING RESOURCES

Voluntary and community organisations, including those that receive no public funding are often 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 and community 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. It is consistent with, and reflected in, the following publications):

- HM Treasury, Improving financial relationships with the third sector: guidance to funders and purchasers, May 2006
- National Audit Office, Financial relationships with third sector organisations, a decision support tool for public bodies in England, May 2006

- HM Treasury, Managing public money, October 2007
- National Audit Office, Intelligent monitoring, June 2009
- Cabinet Office, Principles of proportionate monitoring and reporting
- [Government's Green Paper on Modernising Commissioning \(December 2010\)](#)
- [Government's proposed revision of Best Value Statutory Guidance \(April 2011\)](#)
- [Government's Proposal: Community Right to Challenge \(April 2011\)](#)
- [Government's White Paper on Open Public Services \(July 2011\)](#)
- [Social Value Act \(2012\)](#)

Commitments for Statutory Sector

5. Planning

Voluntary and community organisations are often in a good position to understand people's needs and to provide innovative solutions to those needs. Involving voluntary and community organisations in designing new programmes and services, and focussing on results, can help statutory sector provide the right resources, identify risks and solutions, and achieve better outcomes. When done appropriately, this does not affect competitive neutrality.

Statutory Sector undertakes to:

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

- 6.1 Consider different ways of funding organisations working with statutory sector. These methods could include grants, procurement, loan finance, training, use of premises of other support. A clear rationale should be provided for the decision.

- 6.2 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
- 6.3 Advocate that prime and sub-contractors and all other public and private bodies distributing public money work within the Compact by making it a requirement of funding arrangements.
- 6.4 Apply the Compact when distributing European funding. Where conflicts arise with European regulations, discuss the potential effects and possible solutions with the voluntary and community 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 undertakes to:

- 7.1 Ensure that application documents are:
 - Publicised widely
 - 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 Require the application and bidding processes are consistent with overarching guidance on public procurement.
- 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 value for money. This may include taking into account the wider community benefits at the award stage or when identifying procurement needs.
- 7.6 Ensure that under the Social Value Act 2012, if a potential service provider offers community benefit beyond the contract specification, then this should be taken into consideration by the authority in deciding where to award a contract.

8. Understanding costs

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

Statutory Sector undertakes to:

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

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.

Statutory Sector undertakes to:

- 9.1 Commit funding for three years or more. If this is not the best way to deliver the best value for money, statutory sector should explain clearly, what alternative funding arrangements could deliver the same outcomes.
- 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 undertakes to:

- 10.1 Discuss the risks of the project and agree delivery terms before a financial agreement is signed.
- 10.2 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.
- 10.3 Agree a process for managing performance and responding to changing circumstances before signing a financial agreement.
- 10.4 For grants, agree how 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 undertakes to:

- 11.1 Make payments in advance of expenditure where there is a clear need and where this represents value for money. This may be particularly relevant for grants.
- 11.2 Make payments within 10 working days of invoices being received.

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 undertakes to:

- 12.1 Discuss and agree how outcomes will be monitored before a contract of 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 can be involved by getting their perspective of performance.
- 12.5 Aim to standardise monitoring and reporting arrangements.
- 12.6 Ensure that monitoring is consistently applied to organisations in all sectors.
- 12.7 If the 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 and community organisation and future partnerships.

Statutory Sector undertakes 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 and community organisations.
- 13.3 Give a minimum of three month's 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 and community sector organisations to inform future practices.

Commitments for the voluntary and community sector

14. Contribution to planning

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

Voluntary and community sector undertake to:

- 14.1 Involve users, beneficiaries, members, volunteers and trustees when designing or reviewing programmes and services.
- 14.2 Provide feedback to contributors on information to contributors on information that is presented to statutory sector and on 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 of service are in line with the organisation's mission before applying.

Voluntary and community sector undertake 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 overhead 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 arrangements.
- 15.5 Apply compact principles when sub-contracting to other voluntary and community sector 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 and community sector undertake 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 and community sector undertake to:

- 17.1 Negotiate 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 funder of significant changes in management or financial or other risks.
- 17.5 Be open and transparent in reporting.

18. When a financial relationship ends

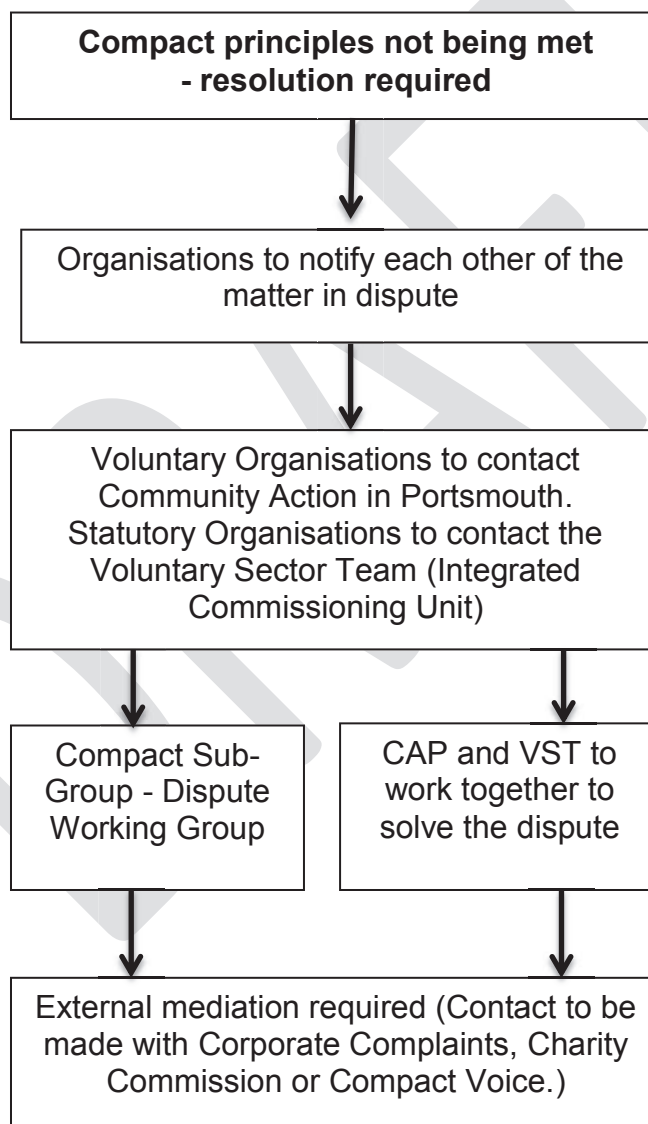
Contingency planning for the end of a contract or grant helps minimize the impact of beneficiaries. Planning in this way can help with long term sustainability.

Voluntary and community sector undertake 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.

DISPUTE RESOLUTION

If any 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 Community Action in Portsmouth and to the Integrated Commissioning Unit (Voluntary Sector Team) at Portsmouth City Council, 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, Charity Commission or Corporate Complaints.



ADVANCING EQUALITY

Working together for equality

Equality for everyone, regardless of their background, is a core value of our society, shared by the public and voluntary and community 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 public and voluntary and community sectors work well together to achieve equality and fairness for everyone.

This section of the Compact recognises the vital role that the voluntary and community 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 and community sector in promoting equality

In order to work towards its equality objectives, statutory sector needs the insight and knowledge of the voluntary and community sector 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 and community 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 and community sector and the public 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 public and voluntary and community sector.

Statutory Sector undertakes to:

- 19.1 Work with the voluntary and community 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 and community sector that represent people with protected characteristics, to understand their specific needs and design appropriate services.
- 19.3 Ensure that all voluntary and community 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 and community 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 and community sector to identify and remove and barriers that prevents volunteering by people with protected characteristics.
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 and community sector organisations that give a voice to diverse groups. The public sector can take some simple steps to improve the effectiveness of engaging these organisations.

Statutory sector undertakes 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 and community sector

21. Promoting equality and diversity

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

Voluntary and community sector undertake to:

- 21.1 Take practical action in partnerships with 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 and community sector 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 and community sector undertake 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 organisation 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.

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.

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