
NOTICE OF MEETING

CABINET MEMBER FOR RESOURCES

THURSDAY, 6 MARCH 2014 AT 9.00 AM

THE EXECUTIVE MEETING ROOM - THIRD FLOOR, THE GUILDHALL

Telephone enquiries to Vicki Plytas 023 9283 4058

Email: Vicki.plytas@portsmouthcc.gov.uk

CABINET MEMBER FOR RESOURCES

Councillor Hugh Mason (Liberal Democrat)

Group Spokespersons

Councillor David Horne, Labour

Councillor Simon Boshier, 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 **Support for the Voluntary and Community Sector 2014/2015 (Pages 1 - 18)**

The purpose of the report is to make recommendations on the allocation of funding for the Voluntary & Community Sector in the grant year 2014/15.

RECOMMENDED that the Resources Portfolio Holder agrees the

allocation of funding for 2014/2015 in appendices 1- 4.

4 Grant Applications from the Twinning Advisory Group (if any)

To receive any twinning related grants (if any) from the Twinning Advisory Group for consideration and decision by the portfolio holder.

RECOMMENDED that

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

5 Monitoring of the Third Quarter 2013/14 Revenue Cash Limits and Capital Programme (Pages 19 - 36)

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

- (1) the content of this report be noted**
- (2) the principles outlined in Appendix C, paragraphs 3.1 to 3.7 regarding the future use of this portfolio's underspends be approved.**

6 Date of Next Meeting

The date of the next meeting is 27 March 2014.

Agenda Item 3



Portsmouth
CITY COUNCIL

Agenda item:

Title of meeting: Resources Portfolio Decision Making Meeting

Date of meeting: 6th March 2014

Subject: Support for the Voluntary and Community Sector 2014/2015

Report by: Preeti Sheth, Head of Integrated Commissioning Unit

Wards affected: All

Key decision: No

Full Council decision: No

1. Purpose of report

The purpose of the report is to make recommendations on the allocation of funding for the Voluntary & Community Sector in the grant year 2014/15

2. Recommendations

- 2.1 It is recommended that the Resources Portfolio Holder
- Agrees the allocation of funding for 2014/2015 in appendices 1- 4

3. Background

- 3.1 As part of its support to the Voluntary & Community Sector, Portsmouth City Council normally operates an annual grant programme. In line with the previous year organisations currently receiving funding were invited to re-apply for grant funding for 2014/15. The decision was taken in recognition of the fact that due to budget savings grant funding has been reduced across the board over the past four years. If funding for grants is limited expectations can be raised unfairly by advertising an “open for all” programme. The closing date for applications for funding was 27th December 2013
- 3.2 The criteria for grant aid from portfolios are attached to this report (Appendix 5) and support each department’s recommendations. All applications are held by the Voluntary Sector Team in the Integrated Commissioning Unit and recorded on the central grants database.
- 3.3 The application form requires that bids support the themes of the Vision for Portsmouth and a monitoring form will be sent to ensure spending of the

grant and progress towards targets and outcomes at the end of the year. All applicants are required to provide accounts, evidenced organisational status and reserves policy in order to be eligible to receive a grant.

3.4 A list of grants awarded will be posted on the Portsmouth City Council Website, together with a link to this report and the accompanying appendices. We will continue to provide information about alternative sources of funding, including Lottery Funding and local funding streams, and a link to the Funding Central website.

3.5 Whilst the information presented in the following table is presented by service all voluntary grant applications are made to the Portsmouth City Council rather than to separate services within the city council. The applications are allocated to a service portfolio that is considered to be the best fit and then assessed accordingly.

Service	Total Grants Requested	Total Recommended
Resources	£19,408.00	£7,900.00
City Development & Cultural Services	£5,150.00	£4,150.00
Environment & Community Safety	£14,000.00	£13,500
Housing	£27,814.00	£2,318.00
Totals	£66,372.00	£27,868.00

4. Reasons for recommendations

4.1 Recommendations are supported by portfolio holders in consultation with directorate grants officers.

5. Equality impact assessment (EIA)

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

6. Legal comments

6.1 Although these grants are made under the Council's general power to promote wellbeing they also need to comply with the relevant standing orders and procedures. This covers both the financial regulations and, as the agreements are in the form of a contract, the Contract Procedure Rules. However in the light of the low level of the grants to be made the CPRs will not be onerous and can be dealt with through a general exemption.

7. Finance comments

7.1 The financial implications of the recommendations are set out in the report and appendices. The proposed grants are included within the approved budget.



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Signed by:

Appendices:

- Appendices:**
- Appendix 1 Resources**
- Appendix 2 City Development and Cultural Services**
- Appendix 3 Environment & Community Safety**
- Appendix 4 Housing**
- Appendix 5 Criteria for grant aid**

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
Grant Application Form	Voluntary Sector Team

Grant Application Criteria	Voluntary Sector Team
Conditions of Use	Voluntary Sector Team

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

.....
Signed by:

Appendix 1

Voluntary Sector Services (Resources Portfolio)

Grants 2014-2015

Grant No: 1985 Portsmouth Pensioners Association
Request: £2,500.00 (*award 2013/14 £2,500*)
Purpose: Cost of producing two issues of Pompey Pensioner Magazine to 5,000 pensioners & development of website. This recommendation is in line with last year's award.

Recommendation: £2,500.00

Grant No: 1995 Headway
Request: £16,908.00 (*award 2013/14 £5,400.00*)
Purpose: Provides advice & information to adults with acquired brain injury. They aim to reduce social isolation for this disadvantaged/disabled group. They will use the funding to continue to support the delivery of a structured programme of activities. This recommendation is in line with last year's award.

Recommendation: £5,400.00

Total Grants: £7,900.00

For information: Contracts funded From Resources Portfolio:

¹ Portsmouth Area Rape Crisis Service Ltd (PARCS)	£89,065.00
² Portsmouth and District Relate	£25,018.00
Portsmouth Counselling Service (PCS)	£33,150.00
Advice Portsmouth	£300,000.00
Community Action Hampshire (Infrastructure Support Service)	£89,902.00
Community Action Hampshire (Volunteering Service)	£25,000.00
Portsmouth Disability Forum (Shopmobility)	£25,000.00
Total Contracts	£587,135.00

1. Re-tendering of this service was proposed following the completion of the Category Management review. A six month extension has been sought to continue service provision during the re-tendering exercise
2. The service was included as part of a savings proposal submitted to the Full Council for its budget meeting on 12/12/13. The proposal involves a phased reduction of the service up to 31/03/15.

Total Grants and Contracts: £595,035.00

CITY DEVELOPMENT AND CULTURAL SERVICES

Environmental Grant Requests: 2014/15

Grant no: 2005
Organisation: Hampshire & Isle of Wight Wildlife Trust
Request: £5,000 (award 2013/14 £4,000)
Purpose: Contribution to staff costs for ongoing management and wardening of the Portsmouth Reserves (Farlington Marshes Great Salterns, Land close to Milton Locks). This will include habitat management, access and interpretation, educational visits and the running and management of a volunteer team.
Recommendation: £4,000

Grant no: 2007
Organisation: Hampshire & Isle of Wight Branch Butterfly Conservation
Request: £ 150 (award 2013/14 £150)
Purpose: General support of local conservation activities: Reserve maintenance, guidance on habitat management, education. Monitoring of butterflies and supplying of data to authorities in Annual report (i.e. monitoring of butterflies on Portsdown Hill)
Recommendation: £150

Total Grants recommended **£4,150.00**

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Appendix 3

Community Safety Grant Requests: 2014/15

Contract

Portsmouth Area Rape Crisis Service Ltd (PARCS)

Cost: £2,600 (award 2013/14: £2,600)

Purpose:

PARCS provide free specialised counselling for residents who are victims of rape and sexual abuse. In addition, PARCS are located in PCC property, rent free. This is a contribution to the Contract held by the Resources portfolio.

Recommendation: £2,600

Grants

Grant No: 2009 Portsmouth Mediation Service

Request: £9,000 (award 2013/14 £9,000)

Purpose: Building on the success of the Assessment Service this funding will be used to operate a pilot assessment service. Such a service has been run successfully for the local authority housing service for a number of years and has achieved 85% resolution of neighbour disputes and anti-social behaviour. The pilot will give free access to the service for private residents and allow demand for the service to be determined. It is anticipated, through early intervention, that demand for higher cost interventions will be reduced. The development of this service fits well with the recommendations of the review of the city's response to anti-social behaviour. The money will be used to recruit a temporary assessment officer

Recommendation: £9,000

**Grant No: 2008 Victim Support, Vulnerable and Intimidated
Witness Support**

Request: £ 5,000 (award 2013/14 £4,500)

Purpose: Maintain Vulnerable and Intimidated Witness Support Service. The grant pays for recruitment, training and maintaining volunteers to deliver the service. Last year the service supported 375 vulnerable witnesses from Portsmouth.

Recommendation: £4,500

Total of Contracts	£ 2,600
Total of Grants:	£ 13,500
Total:	£ 16,100
Allocation from budget 13/14:	£ 16,100

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Appendix 4

Housing & Property Services- Housing Options

Grants

Grant no: 2006
Grant: The Roberts Centre
Request: £27,814 (*award 13/14 £24,984*)
Purpose: Supported Housing Scheme Sublets

The Supported Housing Scheme is a partnership service with Portsmouth City Council, which provides support to vulnerable families, who have a history of failed tenancies, and single teenage parents

The aim of the scheme is to reduce the risk of future homelessness and family breakdown by offering intensive support, challenging behaviour patterns and life skills training. The Roberts Centre manage the latter stage of the scheme* where families are moved into self-contained properties and supported until they are able to take on the tenancy independently.

This service helps to ensure that everyone has somewhere to live and supports vulnerable people to live safely and independently.

Previous grant requests covered the funding of the work undertaken with families during the assessment period prior to moving into a sublet which previously could not be met by the normal funding streams for supported housing schemes i.e. rental income & supporting people grant.

This service is in the process of being retendered and in future this Work and the associated funding will be included in the new contract, which is due to commence at the end of July 2014.

There will be no change to service provision.

This grant request covers the period prior to the new contract being in place.

The Roberts Centre is aware that future funding for this service will be incorporated into the new contract.

Recommendation: £2,318.00

Total of Grants £2,318.00

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INFORMATION PACK FOR GRANT APPLICATIONS OVER £5,000

The information in this pack will help you to complete your application.

The **Guidance Notes** will help you to complete the Application Form. Please read Information for applicants seeking a grant and Meeting priorities and criteria carefully before you begin to complete the form.

You will also need to read:

- Portsmouth City Council's approach to Reserves

Please can you ensure that you sign and return the **Conditions For Use Form**. On the reverse of this you will see the sheet that we use for assessing your application – you might find it helpful to be aware of the factors we consider in assessing your application when you are completing your form.

The **Monitoring Form** is for your information only. If you are successful in obtaining a grant you will need to complete a form at the end of the grant year, but **you do not need to complete the form at this stage.**

The **Checklist** at the back of the application form tells you which documents you will need to send with your application. Please can you send these documents with your application form. We won't be able to process your application if you don't send them.

We are asking all applicants to indicate what funding they are currently receiving from Portsmouth City Council – please can you complete the form and return it with your application. If you are not currently receiving any funding, please write "Nil" on the form.

The completed Application Form and documents **MUST** be returned to Portsmouth City Council by **Friday 27th December 2013**. We will send you an acknowledgement to confirm that we've received your application.

If you have any queries about completing your application please contact Delyth Horsley on **023 9284 1451**

INFORMATION FOR APPLICANTS SEEKING A GRANT

Portsmouth City Council recognises and values the important contribution made by the many voluntary and community organisations in the city and wishes to support as much voluntary and community activity as possible, within its budget limits. In order to work within budget limits the council has to prioritise those areas of voluntary and community activity it wishes to support. The following information is provided to help you decide whether your organisation falls within the council's priority areas and whether you are likely to be considered for grant aid:

1. The city council's Priorities for 2013/2014 are shown on the attached sheet. All applications for grant aid will be considered with these in mind.
2. The council will only consider applications from groups and organisations whose activities are of direct benefit to residents of Portsmouth. If your organisation's activities extend beyond the boundaries of the city you will be expected to also look for contributions from funding sources in those other areas which benefit from your work. The council will consider making a contribution to joint funded projects as long as you can show a benefit to the residents of Portsmouth.
3. Where capital grants are made towards building works, payment will be made on completion of the project. For large schemes, staged payments will be made. In either case, payment will be made only after a satisfactory inspection report by the City Council's Building Inspectors (and where planning permission is required, by the City Planning Officer).
4. The city council will not retrospectively fund work or projects unless such an arrangement has been agreed in advance.
5. The council will not consider applications to assist individuals or for financing towards trips, holidays and expeditions.
6. The city council has a responsibility to ensure that its grants are properly accounted for and used as effectively as possible. You will be expected to demonstrate the proper conduct of your affairs, both general and financial. You must keep proper books of accounts together with full written records indicating how any grant monies are used.

You will be expected to demonstrate that your organisation is structured so as to represent all relevant interests and that it is clearly accountable to its users, beneficiaries and members (e.g. evidence of constitution or Annual General Meeting). You will be expected to show that it meets equalities legislation and that it does not discriminate on grounds of race, religion or belief, gender including transgender, age, sexual orientation or disability, except when it would be incompatible with the organisation's aims and objectives (e.g. women's organisations, ethnic minority groups). You will also be expected to take the needs of carers and nursing mothers in to account.

For a good brief list of all the current legislation follow the link for the IdeA "Legislation – at a glance" <http://www.idea.gov.uk/idk/core/page.do?pagelId=5145524>

Priorities for Grant Aid 2014-2015

Meeting Priorities

In your application form you will need to show how the grant you are applying for will meet one or more of the priorities set out in the Local Strategic Partnership's Vision for Portsmouth for 2008-2018 and the Local Area Agreement.

The LSP's Vision for Portsmouth is for it to be

"The premier waterfront city with an unrivalled maritime heritage – a great place to live, work and visit".

In order to achieve this, partners will be working toward ten priorities.

We want to:

1. Improve opportunity and achievement in education, skills and lifelong learning
2. Make Portsmouth an accessible city, with sustainable and integrated transport
3. Develop Portsmouth as a city of innovation and enterprise, with a strong economy and employment opportunities for all
4. Make Portsmouth a city where everyone feels safe and is safe
5. Make Portsmouth an attractive and sustainable city
6. Deliver affordable, quality housing where people want to live
7. Encourage and enable healthy choices for all and provide appropriate access to health care and support
8. Enhance Portsmouth's reputation as a city of culture, energy and passion, offering access for all to arts, sports and leisure
9. Celebrate the many diverse and different communities within Portsmouth and work together to create an inclusive city for everyone
10. Protect and support our more vulnerable residents by shaping public services to meet their needs

If you would like a copy of the Community Strategy please contact:

The Strategy Unit
Portsmouth City Council
Civic Offices
Guildhall Square
Portsmouth
PO1 2AL

Telephone: 023 9283 4020 e-mail LSP@portsmouthcc.gov.uk

GUIDANCE NOTES

GRANT APPLICATION OVER £5,000

The questions that refer to 'The Organisation' refer to the part, branch or section of the Organisation that is making the grant application.

Question 1

Please complete all sections that apply.

Question 2

If your organisation is a Registered Charity or Company Limited by Guarantee please include the relevant registration number.

Question 3

When did your organisation first start meeting or running activities or projects?

If you are a new organisation please say when you expect to start.

Please state the date of your last AGM if applicable.

Question 4

Describe the usual activities/services your organisation provides

If you are a new organisation, describe the services activities you plan to provide.

Question 5

Give the name of any parent, regional or national organisation that your organisation is affiliated to or is a member of.

Question 6

Describe how the money you are applying for will be used. Is it for a specific project, a piece of work, running costs?

Question 7

Please give details of any staff posts this money will fund, or details of specific equipment, resources etc.

Question 8

Describe how you have identified the need for the project, either within your organisation or your community. Please supply any information you have collated (surveys or statistical information)

Question 9

How many people or other organisations will directly benefit from your project during the period of the grant. Is your project targeted at a particular group of people? (Please estimate the numbers)

Question 10

Please estimate and explain how you have calculated your answer.

Question 11

When do you hope the project will be able to start, and when will it end (if applicable)?

If the project is already running please indicate the period this grant will cover.

Question 12

How will this project meet the need you identified in question 8? What long-term change will come about in people's lives or in the organisation's activities as a direct result of this grant?

For example: - increased knowledge of services available; greater self esteem; a reduction in type of behaviour; more people undertaking an activity.

Question 13

Describe the difference you think your project will make and how it relates to the Local Strategic Partnership's Vision for Portsmouth. You can find out more about how to answer this question by reading the sections on Meeting Priorities and Criteria, which are part of this information pack.

Question 14

'Target' is what you hope to achieve; 'criteria for success' is how you will know you have been successful.

Have you set a target number of people who will attend the project? Will you be circulating a questionnaire to ask people what they think?

Examples:

Target	Criteria for Success
Get an access ramp for play area	Ramp bought and installed
Improve Publicity	Produce new leaflet
Develop an advice service	Arrange for advice counsellor to attend a session each fortnight

It is not intended that all targets and achievements will be major projects or events.

Question 15

Tell us how you keep records of the service or activities you provide and how they are evaluated.

For example: registers, mailings lists, customer satisfaction surveys.

If you are a new group please explain how you intend to keep records.

Question 16

The Portsmouth Compact requires Voluntary and Community Organisations to work towards and implement a quality standard. Please indicate the progress made by your organisation.

Finance and Management

Please complete the financial breakdown in full. Total both columns, Column B is the total amount that each item in the project will cost, and Column A is the amount of each item that Portsmouth City Council is being asked to fund.

Tell us where else you are applying for funding if applicable; and if you are waiting for a decision about an application, when you expect to hear whether or not you have been successful.

Please insert the total amount of income as shown in your organisation accounts.

Your organisation must have a bank account in the name of the organisation (or an umbrella organisation, in which case details need to be supplied on a separate sheet). No grant can be paid to an individual. We will only pay grants into an account that requires at least two people to sign each cheque or withdrawal.

Management and Premises

Please enter numbers of staff and volunteers. Full-time is defined as 37 hours per week. Do volunteers receive induction, training and supervision? Are CRB checks completed? Please include any information you feel is relevant.

Please complete all the information in the premises section.

Please complete and sign the Declaration and Data Protection Statement.

Checklist for Grant Applications

Please use the checklist to ensure you have fully completed the form and enclosed all relevant documents. **Please enclose a signed copy of the Conditions for the use of Grant Allocations.**

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Agenda Item 5



Portsmouth
CITY COUNCIL

Agenda item:

Decision maker: Cabinet Member for Resources Portfolio

Subject: Monitoring of the Third Quarter 2013/14 Revenue Cash Limits and Capital Programme

Date of decision: 6th March 2014

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. It also sets out the principles to be applied for the future use of this portfolios underspends transferred to the earmarked Reserve.

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.

3.2 That the principles outlined in Appendix c , paras 3.1-7 regarding the future use of this portfolios underspends be approved

4. Background

4.1 Cash Limit 2013/14

	£'000s
Net Requirement	27,809
Less - Capital Charges	2,785
- Net Insurance Costs	(53)
- FRS17	860
- Employee Benefit Accruals	468
Controllable Cash Limit 2013/14	<u>23,749</u>

Forecast Outturn 2013/14

	£'000s	% of Budget
Actual Net Expenditure 1 Apr 2013 to 31 Dec 2013	17,889	75.33%
Forecast Net Expenditure 1 Jan 2013 to 31 Mar 2014	5,506	23.18%
Total Forecast Controllable Expenditure 2013/14	<u>23,395</u>	98.51%
Controllable Cash Limit	23,749	
Forecast Variance - (Under)/Overspend	<u>(354)</u>	1.49%

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.

4.5 Principles for future use of this portfolio's underspends are set out in Appendix C

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 £353,800.

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 £337,000 i.e. 1.42%.

Total Variance (under spend)	£ (353,800)
<u>Less</u>	
Rent Allowances and Rent Rebates	(19,200)
Land Charges	2,900
Audit Fees	(500)
<u>Net 'controllable' (under spend)</u>	<u>(337,000)</u>

5.2 The main areas of variance are as follows:

5.3 Item 1 Miscellaneous Expenses - forecast under spend £40,223

This budget heading includes the following items of expenditure which have contributed to the forecast underspend position:

- The profile of Trade Union secondments in terms of staff time and cost is lower than the maximum allowable within the overall budget.
- The City Council's subscription to PUSH has reduced.
- There has been limited call on the budget set aside for feasibility works for this portfolio in the current year.

Item 2 HR, Legal and Performance – forecast overspend £39,400

5.4 Legal Services income is forecast to be lower than anticipated due to a shift in resource towards the provision of corporate project feasibility work rather than income generating work from outside of the general fund. 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.

5.5 The forecast overspend reported here is largely offset by underspendings in other areas under the control of the Head of HR, Legal & Performance but reported elsewhere in the portfolio (Strategy underspend £14,300 & Trade Union secondments £18,100) The overall forecast overspend for the Service is therefore £7,000.

A full service review to increase efficiency, generate savings and thereby reduce the budget shortfall is in progress but the full impact will not materialise until 2014/15. Current remedial action has frozen any non-urgent expenditure to the end of the year.

Item 6 Financial Services - forecast underspend £86,500

5.6 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.

5.7 Item 7 Information Services - forecast underspend £50,000

Information Services has experienced a high number of staff vacancies throughout 2013/14. A recruitment campaign to replace key staff is proving successful but the service has decided to retain a proportion of the accrued staff saving to support other cost pressures within the portfolio.

5.8 Item 8 AMS Design & Maintenance - forecast underspend £41,800

Allowance was made in the 2013/14 budget for the purchase of a new despatch van. Due to pending legislation changes introducing free school meals for all infant schools the purchase has been delayed to allow a review of how this may affect future vehicle requirements. Further savings have accrued within the service due to the holding of vacant post in order to meet future years saving targets.

5.9 Item 9 Property Services - forecast under spend £22,400

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 but the saving accrued to date will remain for the year.

5.10 Item 18 Local Welfare Assistance Scheme - forecast under spend £42,400

The Local Welfare Assistance Scheme replaced the Social Fund abolished as part of the government's Welfare Reform policy. The Scheme is a limited fund used to support those in greatest need with the funding of emergencies and exceptional expenses. The current forecast underspend has reduced since the last report reflecting 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 £87,100

5.11 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 20 Discretionary Non-Domestic Rate Relief - forecast underspend £56,200

- 5.12 Due to new non domestic rate regulations any award for discretionary relief is split 50:50 between the council and the government. Previous rules required the council to meet 75% of these cost.

6. Summary

- 6.1 The overall forecast outturn position on the portfolio is a net underspend of £353,800 representing 1.49% 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 The Quarter 2 monitoring report noted the update to Budget guidelines and Financial Rules which enable portfolios to retain in-year underspending in a Portfolio specific earmarked reserve to be used initially 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. A sum of £196,000 has been transferred to the portfolio earmarked reserve as part of the annual Budget approved by City Council on 11 February 2014. Should the current portfolio forecast outturn remain underspent at the year end, this balance will also be transferred to the Portfolio earmarked reserve.
- 6.3 The principles for the future treatment of this Portfolio's underspends and Earmarked Reserve are set out in Appendix C

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 added since 11th November 2013 are as follows:

Scheme Name	£,000
Landlords Maintenance (item 5)	53
Civic Duct Work Cleaning (item 31)	30

- 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 5 Landlords Maintenance

Landlords Maintenance comprises a number of schemes critical to maintaining operational buildings. A major component of the 2013/14 budget is the replacement of the Civic offices chiller units. Further to a recent inspection by the Health and Safety Executive it was decided to install a dry system as opposed to wet since this reduces the risk of legionella developing within the system. A revenue contribution from the Landlord Maintenance revenue budget of £53,000 has been made to fund this aspect of the works. Further contributions of £123,000 have been made from underspends within the Major repairs to Corporate Property Portfolio (item 9) budget, bringing the total resource of this scheme to £728,000.

7.5 Item 9 Major repairs to Corporate Property Portfolio.

This budget comprises a number of miscellaneous repairs to Portsmouth City Council properties. Significant schemes in the 2013/14 budget include Cumberland House structural repairs, Victoria Pier works, Flanking Battery casemates and the Square Tower parapets. Underspends of £123,000 in respect of the Carnegie Library roof, PCMI roof and the Cenotaph walls have been transferred to Landlords Maintenance (item 5) to bolster the Civic Offices chiller unit replacement project. A contribution from the carbon management reserve of £65,000 has been used to fund works on the Norrish Library water distribution system.

7.6 Item 31 Civic Duct Work Cleaning.

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.

A further contribution of £30,000 from the Landlords Maintenance revenue budget has been made to fund a survey and pilot clean. The results of this work will improve the overall project delivery and effectiveness.

7.7 The re-phasing of expenditure and the changes reported above have resulted in the revised estimate for 2013/14 decreasing from £5,225,911 to £5,174,674.

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 December 2013.

.....
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 6th March 2013

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

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PORTFOLIO	Resources
BUDGET	23,749,023
TOTAL CASH LIMIT	23,749,023

CHIEF OFFICER Various
MONTH ENDED December-13

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	Information Services
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

BUDGET PROFILE 2013/14				
Budget Profile To End December	Actual To End December	Variance vs. Profile To December		
£	£	£	%	
115,800	120,002	4,202	3.6%	
2,684,500	2,499,374	(185,126)	(6.9%)	
0	253,459	253,459	-	
1,321,300	1,278,940	(42,360)	(3.2%)	
610,000	589,264	(20,736)	(3.4%)	
4,057,800	3,972,364	(85,436)	(2.1%)	
3,047,700	2,884,875	(162,825)	(5.3%)	
927,600	878,969	(48,631)	(5.2%)	
145,000	112,895	(32,105)	(22.1%)	
800,900	690,409	(110,491)	(13.8%)	
(200,000)	(190,264)	9,736	4.9%	
(289,100)	(289,114)	(14)	(0.0%)	
3,500	(773)	(4,273)	(122.1%)	
0	123	123	-	
(505,000)	(437,999)	67,001	13.3%	
(103,000)	(149,547)	(46,547)	(45.2%)	
1,570,100	1,544,489	(25,611)	(1.6%)	
650,000	683,999	33,999	5.2%	
1,520,000	1,395,472	(124,528)	(8.2%)	
0	0	0	-	
(53,700)	(57,815)	(4,115)	(7.7%)	
987,100	963,839	(23,261)	(2.4%)	
1,091,965	1,146,221	54,256	5.0%	

TOTAL	18,382,465	17,889,182	(583,372)	(3.2%)
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Total Value of Remedial Action (from Analysis Below)

Total Net Forecast Outturn (after remedial action)

BUDGET PROFILE 2013/14					RISK INDICATOR
Total Budget	Forecast Year End Outturn	Variance vs. Total Budget			
£	£	£	%		
149,823	109,600	(40,223)	(26.8%)		M
3,297,600	3,337,000	39,400	1.2%		M
0	396,000	396,000	-		L
1,693,900	1,698,900	5,000	0.3%		L
719,200	719,200	0	0.0%		L
5,139,500	5,053,000	(86,500)	(1.7%)		M
4,592,400	4,542,400	(50,000)	(1.1%)		M
1,234,100	1,192,300	(41,800)	(3.4%)		M
284,000	261,600	(22,400)	(7.9%)		M
1,293,600	1,293,600	0	0.0%		H
(350,000)	(350,000)	0	0.0%		M
(385,400)	(385,400)	0	0.0%		L
5,000	1,500	(3,500)	(70.0%)		L
0	100	100	-		L
(679,200)	(729,700)	(50,500)	(7.4%)		H
(148,600)	(117,300)	31,300	21.1%		H
1,329,000	1,326,000	(3,000)	(0.2%)		L
726,200	684,000	(42,200)	(5.8%)		L
2,343,600	2,256,500	(87,100)	(3.7%)		M
179,500	123,300	(56,200)	(31.3%)		L
(82,400)	(79,500)	2,900	3.5%		M
1,212,000	1,225,700	13,700	1.1%		M
1,195,200	1,232,397	37,197	3.1%		M

23,749,023	23,791,197	42,174	0.2%
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(396,000)

23,749,023	23,395,197	(353,826)	(1.5%)
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Note All figures included above exclude Capital Charges, Levies and Insurances

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

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Item No.	Reason for Variation	Variance £
2	The HR, Legal and Performance Management budget is currently forecast to be overspent due to a shortfall in predicted income within Legal services. This has arisen because there has been a shift of resources to provide support to corporate project feasibility work as opposed to fee earning work.	39,400
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.	396,000
6	Underspend due to holding of vacancies where possible in order to prepare for savings requirements in future years.	(86,500)
7	It is likely that Information Services will deliver an underspend of £50,000 at the end of the financial year due to a high number of leavers from the service. Although the recruitment campaign to replace these key staff is proving very successful and posts are gradually being filled, savings have been made from the vacancies. A conscious decision has been made to preserve these savings to support other pressures within the portfolio.	(50,000)
8	The underspend is due to a review of the despatch service and the impending changes to primary school meal provision. As a result of this it has been decided to delay the purchase of a replacement vehicle until after April 2014 as it is anticipated that existing school meal deliveries will change and further deliveries added to the schedule. The procurement of any vehicles will only be undertaken when the outcome of this is known. In addition to this there is a staff saving due to the proactive holding of vacant posts in order to help meet future years savings targets.	(41,800)
9	There is a staffing underspend due to the difficulty in recruiting to 3 separate posts. One of these, a 1 year project post to review the Investment Property Portfolio Assets, has now been filled and the other two posts are currently subject to a recruitment process.	(22,400)
Page 28 20	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.	(42,200)
	Underspend due to holding of vacancies where possible in order to prepare for savings requirements in future years.	(87,100)
	Under the non-domestic rate regulations any award of discretionary relief is now split 50:50 between the billing authority and central government. Previously the split was 75:25 so the City Council's contribution has dropped from 75% to 50% of the total amount awarded.	(42,200)
	Other minor variations over the remaining budget headings	(21,026)
	TOTAL PROJECTED VARIANCE	42,174

Remedial Action	Value of Remedial Action
The Head of Service continues to work to reduce the income shortfall by where possible diverting resources to maximise the amount of fee earning work. Any non urgent expenditure has also been frozen to the end of the financial year.	
A planned release from the MTRS Reserve will fully meet the costs of the approved Transformation Business Cases	(396,000)
TOTAL VALUE OF REMEDIAL ACTION	(396,000)

RESOURCES PORTFOLIO

Capital Monitoring Statement - 2013/14

Meeting Date : 6th March 2014

APPENDIX B

Item No.	Scheme	Source of Finance	Expenditure to 31-Mar-13 £	Revised Budget 2013/14 £	Total Expenditure to 31st December 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
1	Website Customer Relationship Management system	CorpRsv CorpRsv	18,607 11,080	24,413 0	0 0	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	58,599	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 of £35,000 through a revenue contribution in the 2013/14 period.
3	Project Management	CorpRsv	0	189,000	0	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	(8,064)	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	556,482	433,768	556,482	0	242,575	1,944,634	1,944,634	0	Funding allocated for urgent repairs based on the priority of need. £123,000 transferred from underspends within Major repairs to Corporate property Portfolio to fund the Civic Offices main chiller works.
	Landlords Maintenance 2013/14	CorpRsv.	0	748,000	463,014	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	1,304,482	896,782.00	1,304,482	0	544,575	2,994,634	2,994,634	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	100,000	250,000	0	3,500,000	6,944,000	6,944,000	0	Capital loans payable to MMD to finance capital expenditure requirements. Draw down of money for works on new sheds has been profiled to start no earlier than 2014/15.
8	Asset Management System	B	102,133	197,884	41,639	197,884	0	0	300,017	300,017	0	Further development work to enhance the Asset Management System 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	400,858	210,705	400,858	0	0	1,276,971	1,276,971	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 are included. Underspends totalling £123,000 on the Cenotaph walls and pavings, Carnegie library roof and PCMI roof have been transferred to Landlords Maintenance Capital Contingency to fund works on the Civic Offices Chillers and Southsea castle walls. A £65,000 contribution from the Carbon Management reserve has been used to fund the Norrish Central Library Water Distribution System
10	Merefield House Relocation and Civic Offices Customer Access Refurbishment	CorpRsv RCCO	501,009 15,000	129,958 1,400	10,716 0	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	131,358	0	0	647,367	647,367	0	

RESOURCES PORTFOLIO

Capital Monitoring Statement - 2013/14

Meeting Date : 6th March 2014

APPENDIX B

Item No.	Scheme	Source of Finance	Expenditure to 31-Mar-13 £	Revised Budget 2013/14 £	Total Expenditure to 31st December 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
11	Dame Judith Prof. Centre - Relocation of Services	CorpRsv CP(DCSF)/CM	56,600 41,076	0 69,324	0 0	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	69,324	0	0	167,000	167,000	0	
12	Replacement of Cash Handling System	CorpRsv	37,088	163,911	32,370	163,911	0	0	201,000	201,000	0	Project was in planning stages through 2011/12 and 2012/13, implementation commenced in 2013/14 with an anticipated completion date of April 2014.
13	Civic Offices Catering - Coffee Shop	CorpRsv	61,293	7,960	0	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 CorpRsv	98,418 721,712	35,170 0	38,598 0	35,170 0	0 0	0 0	133,588 721,712	133,588 721,712	0 0	The scheme is complete and the IS data centre is operational. Remaining budget is available to cover retention and finishing works.
	IS Data Centre Chillers	CMR	123,881	10,519	0	10,519	0	0	134,400	134,400	0	
Sub Total :			944,011	45,689	38,598	45,689	0	0	989,700	989,700	0	
15	IS Data Centre Phase 2	RCCO	0	20,000	0	20,000	0	130,000	150,000	150,000	0	Phase 2 of the IS data centre works relate to remodelling of accommodation space following completion of the phase 1 build stage earlier in 2013/14. Approval via MIS 01.11.2013
16	Update of Oracle E-Business Suite (EBS) to Release 12	ODR	355,543	119,461	96,156	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	62,103	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	120,000	10,314	120,000	0	915,000	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 £350,000 and £200,000 respectively.
19	Review of Business Software (windows 7)	CorpRsv ITR	623,675 49,500	910,825 0	177,417 0	910,825 0	0 0	0 0	1,534,500 49,500	1,534,500 49,500	0	Upgrade all computers to windows 7 completion due in 2013/14.
Sub Total:			673,175	910,825	177,417	910,825	0	0	1,584,000	1,584,000	0	
20	HR Self Serv & I expenses	OR RCCO MTRS	223,209 0 287,468	57,322 0 0	32,146 0 0	57,322 0 0	0 0 0	0 50,000 0	280,532 50,000 287,468	280,532 50,000 287,468	0	Completion due by early 2014/15.
Sub Total :			510,677	57,322	32,146	57,322	0	50,000	618,000	618,000	0	
21	Legal Case Management Software	MTRS	0	96,000	37,393	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	Voltage Reduction & Power Cleaning (MMD)	MTRS	0	137,000	37,000	137,000	0	0	137,000	137,000	0	Grant to MMD to facilitate voltage reduction and cleaning upgrade.
23	Guildhall Capital Works	CorpRsv	687,065	57,675	182,927	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. A further release from reserves is due at the end of 2013/14.
24	Revenue and Benefits EDMS replacement	CorpRsv	0	95,000	0	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.
25	Call Recording System	CorpRsv	0	0	0	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 : 6th March 2014

APPENDIX B

Item No.	Scheme	Source of Finance	Expenditure to 31-Mar-13 £	Revised Budget 2013/14 £	Total Expenditure to 31st December 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
26	Working Anywhere	CorpRsv CP(DH)CG	0 0	0 0	0 0	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	
27	Commercial Letting of Brunel Wing	CorpRsv CP(DCSF)CM	0 0	0 0	0 0	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	
28	World War 2 Memorial Guildhall Square	CorpRsv OC	0 0	0 0	0 0	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 S 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	
29	PSN CoCo Compliance	CorpRsv	0	0	0	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.
30	Replacement Emergency Generator	CP(DCSF)CM	0	0	0	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.
31	Civic Office Ducting	CP(DCSF)CM	0	0	0	0	0	120,000	120,000	120,000	0	Scheme to clean ductwork, realign dampers and reconfigure ducts in problematic areas.
Ongoing Schemes Total			10,826,463	5,023,857	2,016,801	5,023,857	0	7,758,472	23,608,791	23,608,791	0	
Completed Schemes												
Completed Schemes Total			3,371,333	202,054	157,817	150,817	-40,780	0	3,573,387	3,522,150	(51,237)	
GRAND TOTAL			14,197,796	5,225,911	2,174,618	5,174,674	(40,780)	7,758,472	27,182,178	27,130,941	(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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Briefing note on future use of Resources Portfolio underspends

1. Background

1.1 With the aim of increasing the financial autonomy of Services the City Council approved an amendment to the Council's Budget Guidelines and Financial Rules at its meeting of 12 November 2013. This action is intended to remove financial barriers to the delivery of savings and promote medium term financial and service planning by enabling services to retain any year end underspendings and accepting the responsibility of managing and funding their overspends, cost pressures and contingent items.

1.2 Specifically:

- Each portfolio retains 100% of any year end underspend to be held in an earmarked reserve for the relevant portfolio
- The Portfolio Holder is responsible for approving any releases from their earmarked reserve in consultation with the Head of Finance & S151 Officer
- Any retained underspend (held in the reserve) will be used in the first instance to cover the following within the Portfolio:
 - Any year end overspend
 - Any one off budget pressures on the portfolio
 - Any temporary budget pressures on the Portfolio whilst actions are formulated to permanently manage or mitigate the implications of such ongoing budget pressure
 - Any item of a contingent nature that would historically have been funded from the Council's corporate contingency provision
 - Spend to Save schemes unless they are of a scale that is unaffordable by the earmarked reserve (although the reserve may make a contribution to the STS)
- Once there is confidence that the above instances can be satisfied, the earmarked reserve may be used for any other development or initiative.

2 Practical Application for Resources Portfolio

2.1 It is proposed that within the Portfolio earmarked reserve, the individual contributions made by services from their underspends, be recorded. For the Resources portfolio, which currently includes areas of budget under the responsibility of 10 heads of Service including the CX, this will indicate an equivalent number of 'pots'.

When services obtain approval to utilise the reserve, this will be similarly recorded.

2.2 A process for submitting requests and granting approvals will be agreed with the Portfolio holder; this may be via weekly briefings, email or specific budget meetings and a record of the decision will be included within the quarterly monitoring reports to the Resources Portfolio meeting.

2.3 Financial Services will provide the Portfolio Holder with a regular updated statement of the Reserve balances.

3. Principles, Issues and resolutions

3.1 Underspendings transferred to the Earmarked Reserve exclude the following items:

- i. Designated windfall items (for this portfolio : Benefits, audit fees, land charges)
- ii. Designated 'corporate' items (funded for a specific purpose from e.g MTRS Reserve)
- iii. Members Expenses(not under any Head of Service)

3.2 Treatment of Non Portfolio balances - underspends re committees will be incorporated within the appropriate Portfolio Earmarked reserve i.e. G& A Committee to Resources.

The Leader Portfolio will have its own Portfolio Reserve

3.3 Ongoing treatment of existing contributions to specific reserves.

Where a service is currently making a planned annual contribution to a reserve for a specific purpose such as equipment renewal, this contribution will be ring fenced providing a clear profile of future spending plans is published.

3.4 Carry Forward Requests- items previously identified as deferred for a specific reason and submitted as requests to carry forward budget into subsequent year will be treated in the same way as any other requests for use of the earmarked reserve i.e. the unspent budget will form part of the year end underspend and be transferred to the Earmarked Reserve. A request to appropriate the equivalent sum in the following year will require the approval of the Portfolio Holder.

3.5 Use of Reserve to cover individual Service overspends.

Given the number of HOS' with budgets in the Resources Portfolio, a situation may arise where one or more services are overspent at year end whilst others are underspent. The net contribution of others to the Reserve is therefore reduced by these overspends. It is proposed that, in the first instance, the other portfolio services will effectively cover this overspend but that in subsequent years, the overspending service 'repays' this contribution.

3.6 Joint Portfolio Initiatives- The Portfolio Holder may approve the use of Services' earmarked reserves for general Portfolio developments/initiatives.

3.7 Forecast underspendings may be transferred to the Earmarked reserve at Revised budget stage.

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