

THIS ITEM IS FOR INFORMATION ONLY
(Please note that "Information Only" reports do not require Equality Impact Assessments, Legal or Finance Comments as no decision is being taken)

Title of meeting: Resources Portfolio

Subject: Monitoring of the Second Quarter 2016/17 Revenue Cash Limits and Capital Programme

Date of meeting: 19th January 2017

Report by: Director of Finance and Information Services

Wards affected: ALL

1. Requested by

The Cabinet Member for Resources Portfolio.

2. Purpose

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. Information Requested

3.1 Cash Limit 2016/17

	£000's
Net Requirement	22,477
Less;	
Capital Charges	2,786
Net Insurance Costs	118
FRS17	859
Employee Benefit Accruals	468
Controllable Cash Limit 2016/17	<u>18,246</u>

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3.2 Forecast Outturn 2016/17

	£000's	% of Budget
Controllable Cash Limit 2016/17	18,246	
Total Forecast Controllable Expenditure 2016/17	17,983	99.56%
Variance - (Under)/Overspend	(263)	1.44%

3.3 Appendices

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

Analysis of the portfolio's capital expenditure for 2016/17 is attached at Appendix B.

4. Revenue Expenditure

(Please read in conjunction with the attached Appendix A)

4.2 The provisional forecast outturn for the portfolio compared to the cash limit indicates a net underspend of £262,800.

4.3 Within the portfolio there are services whose budgets are deemed 'windfall' budgets by the City Council. These services are Spinnaker Tower, Rent Allowances, Rent Rebates, Land Charges and District Audit Fees (within Corporate Management). These 'windfall' budgets represent income and expenditure which is demand led and largely out of the control of budget managers. Consequently any under or overspending is absorbed corporately. The overall net underspend excluding windfall items is £240,800 i.e. 1.32%.

4.4 Item 2 HR and Legal - underspend £85,000

Vacant posts have been held, where operationally possible, in anticipation of future efficiency requirements. This has been partially offset by a small under recovery in the internal agency income due to decreased demand for the service.

4.5 Item 6 Financial Services- underspend £113,500

Vacant posts have been held, where operationally possible, in anticipation of future efficiency requirements. A further contributing factor to the underspend has arisen from an increased demand from the Housing service for financial services and recovery of costs from Public Health, which are in turn funded via central government grant arrangements.

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4.6 Item 9 AMS Design & Maintenance - overspend £174,800

Fee income during 2016/17 is forecast to be below target as a result of capital schemes being delayed or altered due to changing client need. There has also been a focus on delivering non fee earning work which aims to generate significant ongoing savings across the Council as a whole.

4.7 Item 18 Benefits Administration - underspend £70,000

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

5. Summary

5.2 The overall forecast outturn position on the portfolio is a net underspend of £262,800 representing 1.44% of the total cash limited budget. Within this net position there are various other less significant under and overspendings as shown in Appendix A.

5.3 Since 2013/14 portfolio underspends have been retained in a portfolio specific earmarked reserve. This reserve is to be used initially to cover future year end overspendings, budget pressures, contingent items and spend to save schemes. Once these instances have been satisfied, the reserve may be used for other developments or initiatives. The portfolio holder is responsible for approving any releases from the earmarked reserve in consultation with the Director of Finance and Information Services & S151 Officer.

5.4 The following applications have been approved from the portfolio reserve in the current year since the last report

	£
Marketing costs for launch of Portsmouth Lottery	4,600
Contribution towards Twinning /Events role	11,500

5.5 To date the uncommitted balance on the reserve is £375,500. This will increase at year end by underspends on the portfolio.

6. Capital Programme

(Please read in conjunction with the attached Appendix B)

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

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6.3	<u>Forecast Outturn 2016/17</u>	£000's	£000's
	Total Revised Budget 2016/17		9,752
	Actual Net Expenditure 1 Apr 2016 to 30 Sep 2016	2,226	
	Forecast Net Expenditure 1 Oct 2016 to 31 Mar 2017	<u>7,526</u>	
	Total Forecast Expenditure 2016/17		9,752
	Forecast Variance - (Under) / Overspend		<u><u>(0)</u></u>

6.4 The additions to the capital programme since the start of the financial year have been as follows;

	£000's
Carnegie Library refurbishment within Landlords Maintenance	113
Additional funding for Channel Shift (from reserves)	62
Additional funding for the Letting of Brunel Wing through RCCO	40

The work to refurbish Carnegie Library has been funded from the portfolio reserve.

6.5 The forecast outturn for the portfolio capital programme compared to the approved budget is a net breakeven position.

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 Signed by Director of Finance and Information Services

Appendices:

- A Revenue Outturn Statement**
- B Capital Monitoring Statement**

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

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

Title of document	Location
Service Budget Monitoring files	CRS Accountancy team