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(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 First Quarter 2018/19 Revenue Cash Limits and Capital Programme

Date of meeting: 9th October 2018

Report by: Director of Finance and Information Technology

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 Outturn 2018/19

	£000's	% of Budget
Controllable Cash Limit 2018/19	18,243	
Total Forecast Expenditure 2018/19	17,863	97.92%
Variance - (Under)/Overspend	<u>(380)</u>	2.08%

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3.2 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 2018/19 is attached at Appendix B.

4. Revenue Expenditure

(Please read in conjunction with the attached Appendix A)

4.1 The final outturn for the portfolio compared to the cash limit is a net underspend of £379,700

4.2 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 £107,100 i.e. 0.59%.

4.3 Item 6 Financial Services - underspend £61,300

There are currently several vacancies within the service resulting in an underspend. The expectation is that some of these vacancies will be filled during the year and others held in order to prepare for future savings requirements.

4.4 Item 7 Information Technology - overspend £77,700

The cost of software licenses has increased so the service is looking at ways to mitigate the effects of this.

4.5 Item 8 Procurement - underspend £59,500

The underspend in procurement is due to two current vacancies within the service. These are expected to be filled during the year.

4.6 Item 14 & 15 Housing Benefits - Rent Allowances & Rebates - underspend £235,400

These variances represent the difference between housing benefit paid out to private and council house tenants and the government subsidy received for these purposes. The total value of benefits paid exceeds £100m and minor

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fluctuations in the factors affecting Housing Benefit can result in material variances.

4.7 Item 25 Coroners - underspend £58,000

Income from Hampshire County Council for Coroners Services is based on a percentage share of cases with Portsmouth. The number of cases attributable to Hampshire County Council at this point has increased which has resulted in more costs being recovered from the County.

5. Summary

5.1 The overall outturn position on the portfolio is a net underspend of £379,700 representing 2.08% of the total cash limited budget. Within this net position there are various other less significant under and overspending as shown in Appendix A.

5.2 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.

5.3 At this Quarter end, the uncommitted balance on the reserve is £410,700

6. Capital Programme

(Please read in conjunction with the attached Appendix B)

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

6.3 **Forecast Outturn 2018/19**

	£000's	£000's
Total Revised Budget 2018/19		9,670
Actual Net Expenditure 1 Apr 2018 to 30 Jun 2018	508	
Forecast Net Expenditure 1 Jul 2018 to 31 Mar 2019	<u>9,162</u>	
Total Forecast Expenditure 2018/19		9,670
Forecast Variance - (Under)/Overspend		<u><u>(0)</u></u>

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

	£000's
Guildhall Capital Works (Item 13) (RCCO)	378
Kingston Lodge North Renovation (Item 33) (RCCO)	23
Civic Office Public Address System (New Scheme) (RCCO)	126
Ground Floor Reception Improvements (New Scheme) (RCCO)	104
Portsmouth Hive (New Scheme) (RCCO)	275
Total Additions to Capital Program	906

New Scheme - Civic Office Public Address System £126,000

This is the replacement of the Civic Office Public Address System. The Public Address System is essential in preventing false evacuations of the site. The modern system will have the ability to zone the site which will aid communication if a threat or incident occurs. It enables the development and enhancement of processes designed to protect users of the building.

New Scheme - Ground Floor Reception Improvements £103,600

This is to improve the customer experience of the ground floor reception. To make the ground floor reception a more self-service focused experience for customers.

New Scheme - Portsmouth Hive £275,000

This is for the remedial works to the central library to enable a single point of contact office. It will be a base for volunteers supporting the social care and community sector.

6.5 The variance between the approved capital programme and the changes to be reflected in the capital refresh are made up as follows:

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	£000's
Total Additions (listed above in point 6.4)	906
Completed schemes	(118)
Total Variance	<u>788</u>

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 Signed 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