



## **Partnership for Urban South Hampshire (PUSH)**

### **FINANCIAL PROTOCOLS**

#### **A. General**

1. These protocols are to be read in conjunction with the Joint Agreement established between the participating authorities, and with governance protocols approved by the PUSH Joint Committee.
2. Interest on balances held in Hampshire County Council (HCC) accounts will be paid to PUSH annually. "Overdrafts" will be charged interest in like manner.
3. All bids for revenue and capital grants to be cleared by the theme lead Chief Executive and the Treasurer in advance of submission.
4. "Aligned" funding (whether revenue or capital) is reported as part of the host authority and is not to be brought into PUSH's accounts. However, the financial reports should disclose these as memorandum items. (Aligned funds are those which meet the PUSH business plan objectives but for which PUSH is not actually responsible for).
5. PUSH core staff will be employed by the lead authority for financial matters (HCC), unless agreed otherwise by the Managing Director in consultation with the Chief Financial Officer. Secondments can be utilised where appropriate.

#### **B. Revenue**

6. Joint Committee to set overall budgets, disaggregated into Directorate and Delivery Panel budgets.
7. Delivery Panel to monitor budgets and take appropriate action, or make recommendations to Programme Board and Joint Committee.
8. Where invoices are to be paid directly by the lead authority for financial matters (HCC), procurement must be through HCC, otherwise the lead authority for the project must follow their own procurement procedures, pay the invoice and seek reimbursement from the HCC.
9. Project lead officers to use the emerging South Hampshire Framework Agreement for all consultancy commissions paid directly through Hampshire County Council, unless there are exceptional circumstances, to be agreed by the Chief Financial Officer or his representative.

10. All commitments to be agreed before they are entered into by either Lead Chief Executive (or their nominated officer) of the respective Delivery Panel, or the PUSH Managing Director, and sanctioned by the Chief Financial Officer (or his nominated officer) following confirmation of available budget.
11. All invoices for work commissioned through HCC to be paid by HCC on confirmation by relevant Delivery Panel Lead Chief Executive (or their nominated officer), or the PUSH Managing Director that the work has been completed, using the PUSH 'Claim for Re-Imbursement of Expenditure' Form (see Appendix 2).
12. Any staff time incurred by lead authorities/partners and related support costs (travel, accommodation, supplies etc) to be invoiced to HCC as lead authority for financial matters for reimbursement – if approved by PUSH Managing Director or Delivery Panel Lead Chief Executive (or their nominated officer) , using the PUSH 'Claim for Re-Imbursement of Expenditure' Form (see Appendix 2)..
13. Any directly procured services, where costs incurred by lead authorities are to be reimbursed via sending an invoice to HCC as lead authority for financial matters, and approved by PUSH Managing Director or Delivery Panel Lead Chief Executive (or their nominated officer) , using the PUSH 'Claim for Re-Imbursement of Expenditure' Form (see Appendix 2)..
14. All contributions to be invoiced to partners and paid in line with agreed terms.
15. All grants payable to PUSH to be paid to HCC or if paid to a partner directly, to be transferred to HCC at the earliest opportunity.
16. All projects costing over £5,000 require a project appraisal to be completed, using the standard PUSH Project Appraisal template. See section D below for details of approval process.

### **C. Capital**

17. Joint Committee to set capital allocations for Delivery Panels in line with the business plan. Lead Chief Executives to allocate to specific projects.
18. All additional funding secured to be reported to and allocated by the Programme Board to specific projects, if no impact on overall PUSH budgets.
19. PUSH to act as a capital grant administering body, but shall not incur capital expenditure directly (since PUSH is not a legal entity and cannot own any such assets created).
20. Lead partners to procure and account for capital expenditure and new assets created in line with their own financial protocols. Maintenance and

other liabilities for capital assets created rest with the relevant lead partner.

21. Claims are to be made by submission of invoice to HCC for reimbursement by Treasurer, in line with project approvals and on the confirmation from the relevant lead authority, or Delivery Panel Lead Chief Executive (or their nominated officer), that work has been completed satisfactorily, using the PUSH 'Claim for Re-Imbursement of Expenditure' Form (see Appendix 2)..
22. All projects seeking PUSH capital funding must complete a project appraisal. Project appraisals should be submitted using the PUSH project appraisal template (see Appendix 1), and endorsed by the Delivery Panel Lead Chief Executive (or their nominated officer). Costs submitted as part of the appraisal should be agreed with the Project manager's finance department, along with confirmation that any new asset will be maintained by the relevant partner, who will be responsible for ongoing revenue costs. See section D below for detail of approval process.

#### **D. Project Approval**

23. All capital projects and revenue expenditure over £5,000 requires the completion of the PUSH Project Appraisal template attached as Appendix 1.
24. Projects over £5,000, but under £25,000 require only a partial Project Appraisal to be completed. The sections relating to Options, Implementation Plan and Risk can be omitted.
25. The table below sets out the process for approving of projects submitted. Projects can only be approved if sufficient resources are available, as determined by the Chief Financial Officer (or his nominated officer).

Estimated Value	Revenue	Capital
Under £5,000	To be approved by Delivery Panel Lead Chief Executive	
Over £5,000 and under £25,000	To be approved by Delivery Panel Lead Chief Executive or Managing Director	To be approved by Managing Director
Over £25,000 and under £250,000	To be approved by Delivery Panel Lead Chief Executive or Managing Director	To be approved by Managing Director
Over £250,000	To be approved by Chair of Programme Board and Chair and Vice Chair of Joint Committee	To be approved by Chair of Programme Board and Chair and Vice Chair of Joint Committee
In excess of Delivery Panel Budget Allocation	To be approved by Chair of Programme Board in consultation with Chair and Vice Chair of Joint Committee	To be approved by Chair of Programme Board in consultation with Chair and Vice Chair of Joint Committee

## **E. Financial Reporting**

26. Periodic reporting (quarterly) for both revenue and capital expenditure to go to Delivery Panel or Lead Chief Executive, through the Programme Board to the Joint Committee.
27. Project Managers (Capital) and Delivery Panel Leads (Revenue) are to report on progress against the budget approval by means of the Monitoring Progress Report to the Push Managing Director (see Appendix 3)
28. Final accounts to be reported to Programme Board and then Joint Committee.
29. Mainstream budgets to be fully and properly accounted for, including local authority contributions, New Growth Point funds, SEEDA and any other resources payable to the lead authority for financial matters (HCC) on behalf of PUSH.
30. Aligned budgets to be reported as memorandum item, where it can be identified by Lead Chief Executives for each of the themes.
31. "Sympathetic" spend (where authorities spend broadly in line with PUSH objectives, but not part of the Business Plan) are to be EXCLUDED, and remain the sole responsibility of the host authority.

## **F. Audit**

32. The Treasurer will arrange for the audit of PUSH accounts by an appropriate approved auditor.
33. All Partners must retain all original documentation necessary to ensure audit compliance.
34. The Treasurer will liaise with the auditor to ensure the financial systems and procedures associated with PUSH are acceptable.

Version control:

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Author:	TN/TT



Partnership for Urban South Hampshire  
**PROJECT APPRAISAL**

**APPENDIX 1**

1. Project Details		
Project Title:		
Project Manager:		
Contact Details:		
PUSH Delivery Panel:		
Summary of Proposed Project:		
Project Aims:		
Link to PUSH objectives:		
Key Outputs:		
Anticipated Outcomes:		
Expected start / finish dates:	Start date: End date:	
Summary of Expected Costs:	Total Project Costs (£)	Funding Sources (£)

<p>1) Revenue:</p> <ul style="list-style-type: none"> <li>• Fees</li> <li>• Expenses</li> <li>• Other</li> </ul> <p style="text-align: right;"><b>Total</b></p> <p>2) Capital:</p> <ul style="list-style-type: none"> <li>• Land</li> <li>• Construction</li> <li>• Fees</li> <li>• Other</li> </ul> <p style="text-align: right;"><b>Total</b></p> <p>3) Ongoing Revenue Consequences:</p> <p style="text-align: right;"><b>Total</b></p>		<p><i>(e.g. Developer contribution, local authority borrowing, specific grant to lead authority, PUSH funding*)</i></p>	
<p>Source of PUSH Funding element: (e.g. Core, NGP, SEEDA)</p>	<p><i>*(PUSH funding includes any grants payable to PUSH but excludes grants/funds payable directly to host/lead authority)</i></p>		
<p>Planned Cash Flow: (£000s) (PUSH Contribution only)</p>	<p>2008/09</p> <p>Q1 Q2 Q3 Q4 Total</p>	<p>2009/10</p>	<p>2010/11</p>

2. Appraisal of Options				
Options identified:	Option 1	Option 2	Option 3	Option 4
Evaluation Criteria:				
Summary of Indicative Costs				
Anticipated				

Benefit				
Preferred Option:				

### 3. Implementation Plan

<p>Key Milestone Dates: (depending on project) e.g.</p> <ul style="list-style-type: none"> <li>• Tenders issued</li> <li>• Tenders returned</li> <li>• Contract awarded</li> <li>• Contract commence</li> <li>• Critical path dates</li> <li>• Contract finish</li> </ul>	
Accountable Officer:	
<p>Reporting requirements:</p> <ul style="list-style-type: none"> <li>• Reporting to:</li> <li>• Frequency</li> </ul>	
<p>Resources required: e.g. Staff time, equipment, materials</p>	

### 4. Approvals

Cost figures checked and agreed by Finance Department	Signed  Finance Dept.	Date
Agreement that ongoing asset maintenance and revenue costs will be met by host local	Signed	Date

authority	Finance Dept.	
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Project Approved by Delivery Panel	Signed  Chairman	Date
Project Approved by Joint Committee (if required)	Signed  Chairman	Date

## Annex – Analysis of Risk

No.	Summary of Risk  Scoring: High=3; Med=2; Low=1	Probability  High/ Medium/ Low	Impact  High/ Medium/ Low	Importance  Prob. X Impact	Proposed Action
1	Funding (Funding not received or less than expected)				
2	Budget over/under (Significant variations in spend against budget)				
3	Missed milestones				
4	Resources (staff, equipment etc not being available)				
5	Outputs/Outcomes (Project objectives not being realized)				
6	Other				

## **PUSH – CLAIM FOR RE- IMBURSEMENT OF EXPENDITURE**



Re-imburement will be made by the PUSH Treasurer from the PUSH holding account on the following conditions:

- Expenditure is for work done on a capital project approved by PUSH Joint Committee, or within the approved revenue budget allocation for the theme;
- Expenditure is certified to be within the budget approved by the PUSH Joint Committee.
- Claims must be made on a PUSH Claim for Re-Imbursement Form (attached) and accompanied by a copy of the invoice paid together with evidence that the invoice has been paid by the claiming authority.
- In exceptional circumstances, re-imburement may be made for part payment or in advance of receiving the invoice, in order to support the claiming authority's cash flow position. Such claims must be agreed in advance by the PUSH Treasurer or his representative.
- The original invoice, together with any supporting documentation, must be retained by the claiming authority, and made available for audit purposes.
- The claim must be certified by the nominated project manager, or lead chief executive for each theme, and authorised by the PUSH Managing Director.
- The claim should be net of VAT which will be reclaimed by the claiming authority from HMRC in accordance with their normal procedures.
- In the event that the project is terminated or otherwise not completed as set out in the Joint Committee approval, this must be reported to the PUSH Managing Director as soon as possible, and be subject of a report to the Joint Committee who will determine what action to take to safeguard PUSH interests, which may include repayment of all or part of the grant, or sale of land or buildings acquired with the grant and return of those proceeds to PUSH.

**PUSH – CLAIM FOR RE-  
IMBURSEMENT OF  
EXPENDITURE**



Claiming Authority:	
PUSH Delivery Panel:	
Project Name:	Rowner Estates Renewal Project
Project Manager:	
Date of Joint Committee Approval	
Total Approved Budget	
Claim Number	
Total claimed prior to this claim	

**Detail of Claim**

Land	
Construction	
Fees	
Other (please specify)	
<b>TOTAL OF CLAIM</b>	

**PROJECT MANAGER DECLARATION**

I certify that this claim is correct and in accordance with the project approval and budget as approved by the PUSH Joint Committee.

Signed

Date

Name (in capitals)

**PUSH MANAGING DIRECTOR DECLARATION**

I authorise the payment of this claim is correct.

Signed

Date

Name (in capitals)

***FOR HAMPSHIRE COUNTY COUNCIL TREASURER'S  
DEPARTMENT***

Date Received:

Date Paid:

**PUSH – MONITORING  
PROGRESS REPORT**



Claiming Authority:	
PUSH Delivery Panel:	
Project Name:	
Project Manager:	
Date of Joint Committee Approval	
Total Approved Budget	

<b>Progress Report to end:</b>	(month/year)		
<b>Approved Budget for current year:</b>			
<b>Total Re-imburement claimed for current year to date:</b>			
<b>Details of Reimbursements received to date:</b>			
<b>Details of Outstanding Orders Raised:</b>			
<b>Total value of Outstanding Orders Raised:</b>			
<u>Estimated cash flow:</u>	<u>Amount</u>	<u>Estimated cash flow:</u>	<u>Amount</u>
April		October	
May		November	
June		December	
July		January	
August		February	
September		March	

Project Progress Update from Previous Month (Including explanation of Exceptions etc)