



Report to the Partnership for Urban South Hampshire Joint Committee

Date: **19 May 2009**

Report of: **Jon Pittam, Treasurer and Stuart Jarvis, Managing Director**

Subject: **Capital and Revenue Budget Monitoring 2008/09**

SUMMARY

The Joint Committee, at its meetings in June and September 2008, approved the allocation of both the PUSH capital and revenue budgets for the financial year 2008/09. This report summarises the provisional outturn against the budget, in advance of the formal presentation of the Annual Accounts at the special meeting of the Joint Committee on 26 June 2009.

RECOMMENDATION

This Committee is recommended to:-

1. **NOTE** the anticipated final outturn for the financial year 2008/09 and the consequent impact on 2009/10;
2. **APPROVE** that amendments to the carry forward approved at the Joint Committee on 19 March be incorporated into the revised budgets for 2009/10, and reported to the Joint Committee on 29 July 2009;
3. **APPROVE** the Transport for South Hampshire request to carry forward the underspend of £700,000 capital grant from PUSH into their budget for 2009/10, in respect of the deferred strategic access work for which the grant was originally made; and
4. **NOTE** that the audited Annual Accounts will be presented to a special meeting of the Joint Committee on 26 June 2009.

INTRODUCTION

1. The PUSH Joint Committee gave approval, at it's meeting of 12 June 2008 to the detailed revenue budgets for the financial year 2008/09. On 16 September 2008 the Joint Committee approved the capital programme for 2008/09.
2. This report summarises the provisional outturn against the approved budget, subject to any final adjustments, and in advance of the formal presentation of the audited Annual Accounts to the Joint Committee at it's meeting on June 26 2009.
3. The consequent impact of any adjustments to the amounts to be carried forward into 2009/10 will be reported to the committee as part of the current year Budget monitoring report presented to the Joint Committee at it's meeting in July 2009.

RESOURCES

4. Table 1, below, shows the estimated PUSH resources, as approved by the Joint Committee on 12 June 2008, compared to what was actually received in the year.

Table 1: PUSH Resources 2008/09

	2008/09 Budget £000	Forecast Outturn 19 March Report £000	Total Funds Received 2008/09 £000	Over / (Under) against budget £000
Revenue funds				
Core funding (local authorities)	300	300	300	-
New Growth Point (revenue)	729	729	729	-
SEEDA core contribution	165	165	165	-
Interest on balances	100	270	250	150
Other local authority funding	54	54	54	-
Emerging Themes (MAA)	151	151	150	-1
SEEDA (Tipner regeneration)	15	15	15	-
CABE	11	11	11	-
Tourism South East	3	3	3	-
PUSH 07/08 Funds		150	158	158
	1,528	1,848	1,835	307
Capital funds				
New Growth Point (capital)	6,768	6,768	6,768	-
Total	8,296	8,616	8,603	307

5. Due to falling interest rates, the amount of interest received on the balances held in the PUSH account are £20,000 than forecast in the budget monitoring report to the Joint Committee in March 2009. There has been an £8,000 increase in funds available from old PUSH to offset this, resulting in a net £13,000 reduction in resources to be carried forward to 2009/10.

CAPITAL

6. Table 2, below, shows the revised capital allocation to Delivery Panels, as approved by the Joint Committee on 16 September 2008, together with the provisional outturn.

Table 2: Revised Capital Allocation and Programme

Theme/Delivery Panel	Revised 2008/09 Budget £000	Forecast Outturn 19 March Report £000	Latest Forecast Spend for 2008/09 £000	Over / (Under) against budget £000
Economic Development	939	770	587	-352
Sustainability & Social Infrastructure	150	110	79	-71
Housing & Local Planning	3,195	2,895	2,361	-834
Creating Quality Places	-	-	-	-
Transport for South Hampshire	1,700	1,700	1,700	-
Reserve/to be carried forward	784	784	784	-
Total	6,768	6,259	5,511	-1,257

7. At the meeting of the PUSH Joint Committee on 16 September, it was agreed to maintain an unallocated reserve fund of £784,000, to be carried forward into 2009/10 as a contribution towards next year's Capital Programme. In addition, the Joint Committee on 15 January 2009 approved the carry forward of underspends of £172,000 into the 2009/10 programme. This figure was revised to £509,000 at the Joint Committee meeting in March, and has now been updated to reflect the anticipated final position. The significant rise in the underspend projected in March is primarily due to the Somerstown project not starting before the year end, although some underspend on this project had been anticipated, and an in year transfer of funds with the Rowner project was approved in the autumn. The project is now programmed to start in early 2009/10. It is recommended that the £1,257,000 underspend is carried forward

and incorporated into the revised budgets for 2009/10 to be spent in line with the original allocations on a Theme by Theme basis.

8. Appendix 1 shows the detailed breakdown of expenditure against approved allocations on an individual project basis.
9. The payment of the grant of £1,700,000 to Transport for South Hampshire (TfSH) was made on the condition that TfSH reported back to PUSH on their outturn against the PUSH grant with provision for reported underspend to be carried forward by TfSH subject to PUSH approval. A report to the TfSH Joint Committee on April 29 2009, the underspend on studies for Access to Strategic Sites was due to late notification of the budget and the lead time required to assemble the evidence base. The Access study work is still required, and, subject to approval of the carry forward of the underspend, programmed for commencement in 2009/10. It is therefore recommended that the Joint Committee give formal approval to TfSH carrying forward £700,000 into 2009/10.

REVENUE

10. Table 3, below, shows the revenue allocation to Delivery Panels, as approved by the Joint Committee on 12 June 2008, together with the estimated outturn for the year.

Table 3: Revenue Allocation and Programme

Theme/Delivery Panel	2008/09 Revised Budget £000	Forecast Outturn 19 March Report £000	Latest Forecast Spend for 2008/09 £000	Over / (Under) against budget £000
Economic Development	210	210	184	-26
Sustainability & Community Infrastructure	148	55	15	-133
Housing & Planning	221	105	0	-221
Quality Places	60	13	0	-60
Transport for South Hampshire	279	279	279	-
Central Costs and Contingency	610	318	318	-292
Total	1,528	980	796	-732

11. The Joint Committee, on 19 March 2009, approved that the projected underspend of £548,000 be carried forward into 2009/10 to fund ongoing

projects which have slipped into the following year and as part of general resources needed to balance the PUSH budget for 2009/10. This figure has now been updated to reflect the anticipated final position. It is recommended that £732,000 is carried forward and incorporated into the revised budgets for 2009/10 to be spent in line with the original allocations on a Theme by Theme basis.

PRESENTATION OF ANNUAL ACCOUNTS

12. It is a statutory requirement that the Annual Accounts must be formally adopted by the Joint Committee by 30 June 2009 ahead of the external audit and public inspection period. A special meeting has been arranged for 26 June 2009 for this purpose.
13. There is also a statutory obligation for the audited Annual Accounts to be published by 30 September 2009, and the District Auditor will need to present the audit findings to the Joint Committee at it's meeting on 15 September 2009 to allow this to happen.

CONCLUSION

14. This Committee is recommended to:
 1. NOTE the anticipated final outturn for the financial year 2008/09, and the consequent impact on 2009/10.
 2. APPROVE that amendments to the carry forward approved at the Joint Committee on 19 March be incorporated into the revised budgets for 2009/10, and reported to the Joint Committee on 29 July 2009.
 3. APPROVE the Transport for South Hampshire request to carry forward the underspend of £700,000 capital grant from PUSH into their budget for 2009/10, in respect of the deferred strategic access work for which the grant was originally made.
 4. NOTE that the audited Annual Accounts will be presented to a special meeting of the Joint Committee on 26 June 2009.

Background Papers: -

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BREAKDOWN OF CAPITAL EXPENDITURE 2008/09

Project	Allocation 2008/09	Provisional Outturn 2008/09	Over/Under allocation
Economic Development			
SHSEZ (Eastleigh River Side) Land Assembly	832,000	572,768	-259,232
SHSEZ (Eastleigh River Side) Environmental Studies	62,000	0	-62,000
SHSEZ (Eastleigh River Side) Project Manager	45,000	14,639	-30,361
Total	939,000	587,407	-351,593
Sustainability and Social Infrastructure			
Spice Island Drainage	100,000	69,189	-30,811
Southampton Local Energy Network	50,000	10,000	-40,000
Total	150,000	79,189	-70,811
Housing and Local Planning			
Hinkler Parade, Southampton	80,000	80,000	-
Somerstown, Portsmouth	690,000	0	-690,000
Rowner, Gosport	2,425,000	2,281,012	-143,988
Total	3,195,000	2,361,012	-833,988
Transport for South Hampshire			
Tipner	400,000	400,000	-
M27 Junction 5	100,000	100,000	-
Strategic Studies	700,000	0	-700,000
BRT Business Case	500,000	500,000	-
TfSH Carry Forward		700,000	700,000
Total	1,700,000	1,700,000	-
Unallocated Reserve to be Carried Forward	784,000	784,000	-
TOTAL	6,768,000	5,511,608	-1,256,392