



Partnership for Urban South Hampshire

Statement of Accounts 2009/10

**PARTNERSHIP FOR URBAN SOUTH HAMPSHIRE
STATEMENT OF ACCOUNTS 2009/10**

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EXPLANATORY FOREWORD

1. Introduction

This document contains the Partnership for Urban South Hampshire's (PUSH) Statement of Accounts for the year ended 31 March 2010. The format of the Statement follows that which was approved by the Joint Committee in June 2009.

The pattern of presentation of the statement is laid down by a code of practice, which the PUSH Joint Committee is legally required to follow. This foreword contains:

- a summary of the various statements which make up the 2009/10 accounts;
- a broad picture of where the money comes from and what it is spent on; and
- a summary of the revenue expenditure on services and capital expenditure over the course of the year.

2. Summary of Statement of Accounts

The accounts for 2009/10 are set out on pages 4 to 5 and 18 to 25. They consist of the following:

- Statement of Accounting Policies – sets out the policies adopted by the Joint Committee in preparing the Accounts. They are largely determined by the Code of Practice.
- Statement of Responsibilities for the Statement of Accounts – records the respective responsibilities of the Joint Committee and Treasurer.
- Income and Expenditure Account – reports the net cost for the year of all the functions for which the Joint Committee is responsible and how they have been financed.
- Statement of Movement on General Fund Balance – discloses the adjustments necessary to determine the movement on the General Fund Balance and incorporates the Statement of Gains and Losses.
- Balance Sheet – this sets out the financial position on 31 March 2010.
- Cash flow statement - this summarises cash coming in or going out from transactions with others for revenue and capital purposes.

In addition an Annual Governance Statement, which reviews the effectiveness of the system of internal control, is included on pages 6 to 14.

3. Where the money comes from

The Joint Committee's income comes from central government through New Growth Point Funding, partner contributions, contributions from South East England Development Agency (SEEDA), and from other bodies for specific purposes. Interest is also earned on day to day balances. See Table 1 below for details. This table, and Table 2 below, exclude £400,000 received from Learning Skills Council and paid to Portsmouth City Council for the Advanced Network Prototype (ANP) project. These figures are, however, included in the PUSH Statement of Accounts.

Table 1: PUSH Resources 2009/10

	2009/10 Budget £000	Total Funds Received 2009/10 £000	Over / (-) Under against budget £000
Revenue funds			
Core funding (local authorities)	308	308	-
New Growth Point (revenue)	844	844	-
SEEDA core contribution	165	165	-
Interest on balances	50	23	(27)
Add. Interest 08-09 b/f	150	150	-
Other local authority funding	30	15	(15)
CABE	11	11	-
Tourism South East	3	3	-
IESE Contribution	50	50	-
Cultural Coordinator Contributions	55	55	-
PUSH 07/08 Funds b/f	158	158	-
08/09 Underspend b/f	732	732	-
Agreed carry forward to 10/11	-466	-466	-
Total Revenue Funds	2,090	2,048	(42)
Capital funds			
New Growth Point (capital)	7,253	7,253	-
Add. Growth Point Allocation	565	565	-
Planned Under Spend 08/09	784	784	-
Add Under Spend 08/09 b/f	977	977	-
Total Capital Funds	9,579	9,579	-
Total	11,669	11,627	(42)

4. Overview of the year – revenue account

The main components of the 2009/10 revenue budget and actual expenditure are set out in Table 2 below:

Table 2: Revenue Allocation and Programme

Theme/Delivery Panel	2009/10 Revised Budget £000	Total Spend for 2009/10 £000	Over / (-) Under against budget £000
Economic Development	376	267	-109
Sustainability & Community Infrastructure	160	59	-101
Housing & Planning	390	178	-212
Quality Places	196	183	-13
Transport for South Hampshire	250	250	0
External Funding	50	0	-50
Central Costs and Contingency	626	475	-151
Total	2,048	1,412	- 636

5. Overview of the year – capital expenditure

The main components of the 2009/10 capital budget and actual expenditure are set out in Table 3 below:

Table 3: Revised Capital Allocation and Programme

Theme/Delivery Panel	Revised 2009/10 Budget £000	Total Spend for 2009/10 £000	Over / (-) Under against budget £000
Economic Development	228	175	-53
Sustainability & Social Infrastructure	280	171	-109
Housing & Planning	3,703	3,584	-119
Quality Places	700	468	-232
Transport for South Hampshire	3,014	2,847	-167
Reserve/to be carried forward	1,654	0	-1654
Total	9,579	7,245	-2,334

6. Further information

Further information can be obtained about the accounts from the Treasurer to the Partnership for Urban South Hampshire Joint Committee at the County Treasurer's Department, Hampshire County Council, The Castle, Winchester, Hampshire, SO23 8UB, telephone (01962) 846931, or e-mail tom.niedrum@hants.gov.uk.

STATEMENT OF ACCOUNTING POLICIES

1. General principles

- 1.1 The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in Great Britain: A Statement of Recommended Practice (SORP) 2009 and the Accounts and Audit Regulations 2003. Any significant non-compliance is explained in the following notes.

2. Debtors and creditors

- 2.1 Debtors and creditors have been accrued in accordance with the Code of Practice.

3. Reserves and provisions

- 3.1 Specific amounts are set aside as reserves for future policy purposes or to cover contingencies. Reserves are created by transferring amounts in the Statement of Movement on the General Fund Balance. Expenditure on items for which the reserves were originally created is shown as service expenditure in the Income and Expenditure Account and then transferred back into the General Fund Balance Statement so that there is no net charge against council tax for the expenditure. Variations to earmarked reserves are shown in the notes to the accounts.
- 3.2 Provisions represent legal liabilities when the amount or date of payment is uncertain. They are charged to the revenue account in the year they are recognised.
- 3.3 PUSH currently maintains no such reserves or provisions.

4. Fixed Assets

- 4.1 The Partnership for Urban South Hampshire does not own any fixed assets.

5. Specific Revenue Government Grants

- 5.1 Government grants for specific purposes are included in the accounts on the basis of the grant conditions that apply. These grants are shown against the relevant service in the Income and Expenditure Account.

6. Financial Instruments

- 6.1 In accordance with Financial Reporting Standard (FRS 26) long-term debtors, debtors, payments in advance and temporary lending are classified as loans and receivable financial instruments. Creditors, receipts in advance and temporary and long-term borrowing are classified as financial liabilities at amortised cost.
- 6.2 The Joint Committee has not granted any soft loans.

7. Corporate and Democratic Core Expenditure

- 7.1 Expenditure incurred on the corporate management team is deemed to be across all areas of PUSH activities, and has not been re-allocated to any specific PUSH activity.

ANNUAL GOVERNANCE STATEMENT

1. SCOPE OF RESPONSIBILITY

The Partnership for South Hampshire (“PUSH”) is a Joint Committee comprising 11 local authorities (“the Councils”). The primary governance arrangements that apply directly to those members and officers of the Councils who are engaged in PUSH activities are those maintained by their own individual local authority (for example, Codes of Conduct). The relationship between the Councils in respect of PUSH are set out in the Joint Agreement (“the Agreement”) which has been approved by each of the Councils at a full council meeting. A copy of the Agreement is available at:

http://www.push.gov.uk/push_agreement.pdf

Southampton City Council’s Solicitor to the Council (and their Monitoring Officer) has also been appointed as the Lead Advisor on legal and constitutional issues for PUSH, and also the statutory Monitoring Officer for PUSH. As such, the Southampton City Council governance arrangements take precedence, and form the basis of PUSH’s governance framework for the operation of the Joint Committee and its activities.

Hampshire County Council has been appointed as the lead authority for financial matters and the County Treasurer is the statutory Chief Financial Officer (“CFO”) for PUSH. As such, Hampshire County Council’s financial regulations take precedence, and form the basis of PUSH’s own financial protocols.

PUSH (“the Joint Committee”) is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Joint Committee also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. In discharging this overall responsibility, the Joint Committee is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and which includes arrangements for the management of risk.

In addition to the Agreement, the Joint Committee reviewed the governance arrangements at its meeting of 18 November 2008, and the report is available at:

<http://www.push.gov.uk/pdf/Official%20Documents/081118/pjc-181108-r01-sja.pdf>

The financial protocols (“the Protocols”) for PUSH were reviewed at the meeting of 24 November 2009, and these are available at:

<http://www.push.gov.uk/pjc-091124-r08-jlo-jpi.pdf>
<http://www.push.gov.uk/pjc-091124-r08-jlo-jpi-appendix.pdf>

2. THE PURPOSE OF THE GOVERNANCE FRAMEWORK

The governance framework comprises the systems and processes, and culture and values, by which the Joint Committee is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the Joint Committee to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Joint Committee's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The governance framework has been in place for the Joint Committee for the year ended 31 March 2010 and up to the date of approval of the statement of accounts.

3. THE GOVERNANCE FRAMEWORK

The following describes the key elements of the systems and processes that comprise the Joint Committee's governance arrangements including arrangements for:

Identifying and communicating the Joint Committee's vision of its purpose and intended outcomes for citizens and service users:

The sub-regional strategy for South Hampshire sets out objectives for growing prosperity and improving the quality of life. Those objectives need to be translated into actions that will deliver change. PUSH's Business Plan sets out how the sub-regional strategy is to be delivered.

This first Plan covered the period 2008-11, but has since been updated to reflect changing circumstances and covers the period 2009-11. The evidence base to inform decisions is developing all the time, and the national and regional policy context is also evolving. We therefore expect to review the Plan at regular intervals, and update it as necessary. It is therefore a 'living document', but it provides a firm basis for actions to be taken forward by PUSH and our partners.

The initial Plan was in two volumes, although in the updated plan these have been merged. In the first, an introduction sets out PUSH's vision and the outcomes to be delivered. The chapters deal with the main themes in PUSH's work programme: economic development; transport infrastructure; community infrastructure and sustainability; housing and planning; and creating quality places. The end chapters look at PUSH's organisational development and governance as well as financing issues. The second volume contained more detailed action plans, putting flesh on the priority actions identified in each chapter. It also sets out an indicative budget for activities.

The Business Plan for 2008-11 and the update for 2009-11 are available at:

<http://www.push.gov.uk/priorities/business-plan.htm>

The South Hampshire Agreement is a Multi Area Agreement (“MAA”) for South Hampshire. It has been prepared by PUSH on behalf of, and with input from:

- the eleven local authorities that make up PUSH;
- Transport for South Hampshire (TfSH), which is the delivery agent for sub-regional transport plans, policies and programmes;
- partners in delivery of the PUSH Business Plan, including Job Centre Plus, Learning and Skills Council, Business Link and SEEDA.

The South Hampshire Agreement focuses on selected key elements of the PUSH Business Plan and will support the delivery of our ambitious programme by strengthening the bonds of collaboration between local partners, Government Departments and their agencies.

This agreement proposes a total of eight outcomes and eight enabling measures. With these in place, PUSH and its key partners – Job Centre Plus, Learning and Skills Council, Business Link, SEEDA and Transport for South Hampshire – will achieve more rapid and certain progress in delivering the PUSH Business Plan and sub-regional strategy. This in turn will support the achievement of objectives and targets in the Regional Economic Strategy and national Public Service Agreements, particularly relating to skills, employment, housing supply and regional economic performance.

The South Hampshire Agreement is available at:

http://www.push.gov.uk/priorities/multi_area_agreement.htm

There has been a “refresh conversation” with various Government bodies during the course of 2009/10, and these have been subject to progress reports to the Joint Committee during the course of the year, which are available on the Joint Committee web site:

http://www.push.gov.uk/work/joint-committee/jc_archives.htm#tabs7923-1

Reviewing the Joint Committee’s vision and its implications for the governance arrangements:

Southampton City Council has adopted a Code of Corporate Governance (“CCG”) which identifies in one core document how the Council ensures that it runs itself in a lawful, structured, ethical and professional manner. The CCG is administered by the Monitoring Officer and is updated periodically by the Council’s Standards and Governance Committee. As PUSH follows Southampton’s governance arrangements (its Constitution etc) subject to where Hampshire County Council’s financial regulations take precedence, and form the basis of PUSH’s own financial protocols (as Hampshire’s CFO is PUSH’s CFO), Southampton’s CCG reflects and represents PUSH’s governance arrangements. The full document is published on the City Council’s internet site at:

http://www.southampton.gov.uk/Images/Code%20of%20Corporate%20Governance%20-%20April%202010_tcm46-259807.pdf

Measuring the quality of services for users, for ensuring they are delivered in accordance with the authority's objectives and for ensuring that they represent the best use of resources:

The Joint Committee set indicative revenue and capital budget allocations across the Delivery Panels and covering the core PUSH organisational costs at its meeting of 15 January 2009. It subsequently revised those allocations into firm budgets at its meeting of 19 March 2009. These reports are available at:

<http://www.push.gov.uk/pjc-090115-r02-sja-jpi-tni.pdf>
<http://www.push.gov.uk/pjc-090319-r06-sja-jpi-tni.pdf>

Monitoring reports are considered on broadly a quarterly basis (in July, September, November and January). These reports are available at:

<http://www.push.gov.uk/pjc-090729-r01-jpi-tni-sja.pdf>
<http://www.push.gov.uk/pjc-090915-r02-jpi.pdf>
<http://www.push.gov.uk/pjc-091124-r04-jlo-jpi.pdf>
<http://www.push.gov.uk/pjc-100126-r05-sja-jpi-tni.pdf>
<http://www.push.gov.uk/pjc-100323-r06-jpi-amm.pdf>

The Joint Committee has adopted a Performance Framework which sets out PUSH's overall approach to secure on-going improvements across a wide range of services that are provided to local residents and businesses. The framework sets out targets and improvement initiatives for the Joint Committee and is available at:

<http://www.push.gov.uk/pdf/Official%20Documents/090519/pjc-090519-r03-sja.pdf>

Defining and documenting the roles and responsibilities of the executive, scrutiny and officer functions, with clear delegation arrangements and protocols for effective communication:

The Joint Committee has a Joint Agreement, Governance Framework and Financial Protocols setting out how it operates, how decisions are made and the procedures followed to ensure that these are efficient, transparent and accountable to local people. Some of these processes are required by the law, while others are a matter for the Joint Committee to choose.

The Governance Framework and Financial Protocols set out the detailed rules governing the Joint Committee's business including details of the scheme of delegation that provides for delegation to senior officers (Lead Chief Executives and the Managing Director / Executive Director).

Developing, communicating and embedding codes of conduct, defining the standards of behaviour for members and staff:

Members and officers acting on behalf of PUSH are required to follow their individual authority 'Members' Code of Conduct' or 'Officer Code of Conduct' as appropriate.

The Members' Code covers areas of individual behaviour such as Members not abusing their position or not misusing their authority's resources. In addition there are rules governing disclosure of private interests and withdrawal from meetings where Members have relevant interests. Members are also required to record on the public register their financial and other interests.

Reviewing and updating standing orders, standing financial instructions, a scheme of delegation and supporting procedure notes/manuals, which clearly define how decisions are taken and the processes and controls required to manage risks:

The Joint Agreement sets out how the Joint Committee operates, how decisions are made and the procedures which are followed to ensure that these are efficient, transparent and accountable to local people. This includes information on how the Joint Committee operates, how decisions are made and the role of overview and scrutiny.

Periodically, as appropriate, the Monitoring Officer, together with the Managing Director/ Executive Director and Treasurer, conducts a review of the Joint Committee's governance arrangements, which are considered by the Committee from time to time.

All reports submitted to the Joint Committee for a decision must receive legal and financial clearance prior to publication in accordance with the published procedures.

Undertaking the core functions of an audit committee, as identified in CIPFA's Audit Committees – Practical Guidance for Local Authorities:

It is not practical for PUSH to have a formally constituted Audit Committee whose role would be to provide independent assurance to the Joint Committee or Overview and Scrutiny Committee on the adequacy of the risk management framework and the internal control and reporting environment, including (but not limited to) the reliability of the financial reporting process and the annual governance statement.

The Joint Committee therefore acts in this capacity directly to receive the accounts, annual governance statement and the reports of the appointed auditor.

Ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful:

It is the role of the Monitoring Officer and the Treasurer to ensure compliance with relevant laws and regulations and that expenditure is lawful. This is achieved through the governance framework including the Joint Agreement itself and the Financial Protocols.

Whistle-blowing and for receiving and investigating complaints from the Public:

Any complaints received by the Joint Committee in respect of unlawful conduct, illegality, financial malpractice or dangers to the public, employees or the environment would be dealt with by the Monitoring Officer, in line with Southampton City Council's procedures.

The Joint Committee does not employ staff directly, but rather by the relevant constituent authorities, mostly Hampshire County Council. Each council is required to have its own whistle-blowing policy, and staff can utilise these for any activities of TfSH. Hampshire County Council's policy is published on its intranet, which is accessible to all staff and a link is provided below:

http://intranet.hants.gov.uk/whistleblowing_procedure.pdf

Identifying the development needs of members and senior officers in relation to their strategic roles, supported by appropriate training:

The Councils individually have their own programmes for member and senior officer learning and development to cover general development needs. From time to time, PUSH organises member and senior officer workshops to address emerging development needs specific to the Joint Committee.

Establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation:

PUSH has established a Communications Strategy. In addition, the Joint Committee is able to draw on the existing communication channels of the Councils. The strategy is available at:

<http://www.push.gov.uk/pdf/Official%20Documents/090115/pjc-090115-r04-sja-mmcc.pdf>

4. REVIEW OF EFFECTIVENESS

The Joint Committee has a responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the Managing Director / Executive Director, Monitoring Officer and Treasurer.

The review process, applied in respect of maintaining and reviewing the effectiveness of the system of internal control, is informed by:

- the work of Members/Officers within the Joint Committee;
- audit and other periodic reports from the Internal Auditor;
- reports received from service review agencies or inspectorates where appropriate, and
- the external auditors in their annual audit letter.

The Joint Committee

The Joint Agreement forms the cornerstone of effective corporate governance, supported by the Governance Framework and the Financial Protocols. It has been approved by the full Council meetings of each of the partner local authorities.

The Overview and Scrutiny Committee

The Joint Agreement establishes a Joint Overview and Scrutiny Committee with the following terms of reference:

- To scrutinise and call in Joint Committee decisions.
- To scrutinise in particular the PUSH Business Plan and its delivery.
- In respect of any call in:
 - To review decisions made in accordance with the approved business plan and where they consider it appropriate, refer such decisions back to Joint Committee with comments for reconsideration;
 - To review decisions not made in accordance with the approved business plan where they may either refer such decisions back to Joint Committee with comments for reconsideration or refer the decision back to individual authorities. The Council has a formally constituted Audit Committee whose role it is to provide independence.

The Joint Committee acting as an audit committee

The Joint Committee receives reports to meet certain statutory obligations, such as approving the Annual Governance Statement, the Statement of Accounts and receiving the annual external auditor's report.

The Delivery Panels

The Governance Framework has established 5 Delivery Panels based on service delivery themes, with each Panel being responsible for overseeing and driving the implementation of the relevant area of the Business Plan. The panels are:

- Economic Development
- Housing and Planning
- Sustainability and Community Infrastructure
- Creating Quality Places
- External Funding

Transport for South Hampshire, as a separate Joint Committee leads on the implementation of transport infrastructure theme, and has separate governance arrangements.

The Programme Board / Working Group

The Joint Agreement established the Working Group as an informal body without statutory powers or authority, save as directly delegated to individual officers by their authority or the Joint Committee. Its terms of reference included:

- Providing advice and guidance to the Joint Committee.
- Monitoring and reviewing the budget, governance, financial compliance matters and issues.
- Monitoring the action plan and delivery.

- As delegated by the Joint Committee, to be responsible for operational decision making and the day-to-day management of projects and activities carried out in the name of, or on behalf of, PUSH.
- Performance management of dedicated officer support.
- Developing proposals for the long-term governance and delivery of PUSH's key objectives for consideration by the Joint Committee.

Following a review of the governance arrangements, the Joint Committee established a revised framework establishing the Programme Board as the successor to the Working Group. The Board's remit being revised to focus on its performance review role across the themes and in particular on the MAA; with a remit to complement the Core Team and support the Joint Committee in this regard.

Internal audit

The Joint Committee does not operate an Internal Audit function. However, the County Council's internal audit function does undertake an assurance role that provides an independent and objective opinion to the Treasurer and to the external auditor to ensure that the financial systems and controls are in place. The audit plan for PUSH is agreed with the Treasurer, Managing Director / Executive Director and external auditor, and is incorporated within Hampshire County Council's Environment Department's cyclical audit plan.

The Internal Audit Section is subject to regular review by the Joint Committee's external auditors who seek to place reliance on the work carried out by the section.

Other explicit review/assurance mechanisms.

The Annual Governance Statement is reviewed each year. This statement, insofar as it is applicable to a Joint Committee, follows the guidance set out within the CIPFA/SOLACE framework: "Delivering Good Governance in Local Government" published in June 2007.

The annual review of the effectiveness of the governance arrangements for PUSH, leading to the production of this Annual Governance Statement, has taken cognisance of the areas for improvement identified in the Annual Governance Report, which gave an unqualified audit opinion on both the financial statements and the Joint Committee's use of resources. This was presented to the Committee at its meeting of 15 September 2009, and subsequently an Improvement Plan was also approved by the Committee at its meeting of 24 November 2009, and a revised strategic risk register adopted at its meeting of 10 March 2010.

http://www.push.gov.uk/pjc-090915-item_6.pdf
<http://www.push.gov.uk/pjc-091124-r07-jlo-jpi.pdf>
<http://www.push.gov.uk/pjc-100323-r02-amm.pdf>

5. SIGNIFICANT GOVERNANCE ISSUES

No significant governance issues have been identified, however we will continue to review our governance arrangements from time to time and on at least an annual basis.

We propose over the coming year to take appropriate steps to address matters arising out of such reviews to further enhance our governance arrangements. We are satisfied that this will address the need for any improvements that might be identified in our review of effectiveness and will monitor their implementation and operation as part of any subsequent review.

Signed _____

Councillor Seán Woodward
(Chairman)

Signed _____

Anne-Marie Mountifield
(Executive Director)

STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

- JOINT COMMITTEE

1. The Joint Committee's responsibilities

The Joint Committee is required:

- to make arrangements for the proper administration of its financial affairs and to ensure that one of its officers has the responsibility for the administration of those affairs. In this Authority, that officer is the Treasurer
- to manage its affairs so as to secure economic, efficient and effective use of resources and safeguard its assets
- to approve the Statement of Accounts

2. The Chairman's Statement

I certify that the Statement of Accounts for 2009/10 were considered and approved at the Joint Committee meeting on 23 June 2010.

Councillor Seán Woodward

Chairman – Joint Committee

23 June 2010

STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

- TREASURER

1. The Treasurer's responsibilities

The Treasurer is responsible for the preparation of the Joint Committee's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in Great Britain ('the code of practice').

In preparing this statement of accounts, the Treasurer has sought to:

- select suitable accounting policies and apply them consistently
- make judgements and estimates that were reasonable and prudent
- comply with the Code of Practice on Local Authority Accounting in Great Britain

The Treasurer has also:

- kept proper records which are up to date
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

2. The Treasurer's statement

I certify that the Statement of Accounts presents fairly the financial position of the Partnership for Urban South Hampshire as at 31 March 2010 and its income and expenditure for the year ended 31 March 2010.

Sarah Pook BSc (Hons) CPFA MCIPD
Treasurer
11 June 2010

INDEPENDENT AUDITOR'S REPORT

THE AUDITOR'S OPINION AND CERTIFICATE WILL APPEAR HERE FOLLOWING THE COMPLETION OF THE AUDIT FOR INCLUSION IN THE FINAL PUBLISHED ACCOUNT

INCOME AND EXPENDITURE ACCOUNT

2008/09 Total Net Spend		Note	Revenue Spend	Specific Income	2009/10 Net Revenue Expenditure	Grants for Capital Purposes	Total Net Expenditure
£			£	£	£	£	£
	Cultural, Environmental and Planning Services:						
654,234	Economic Development		666,853	-450,000	216,853	175,158	392,011
64,554	Sustainability and Social Infrastructure		59,094	0	59,094	170,792	229,886
2,641,012	Housing and Local Planning		177,807	-15,000	162,807	3,584,186	3,746,993
0	Creating Quality Places		183,301	-69,000	114,301	468,459	582,760
3,359,800			1,087,055	-534,000	553,055	4,398,595	4,951,650
	Highways, Roads and Transport Services:						
1,979,000	Transport for South Hampshire		250,000	0	250,000	2,847,184	3,097,184
1,979,000			250,000	0	250,000	2,847,184	3,097,184
86,099	Corporate and Democratic Core	1	475,270	-170,500	304,770	0	304,770
5,424,898	Net cost of Services		1,812,325	-704,500	1,107,825	7,245,779	8,853,604
	Interest Payable						-
-249,577	Interest Receivable	2					-22,555
5,175,321	Net Operating Expenditure						8,331,050
-728,568	New Growth Point Funding – Revenue						-844,216
-6,768,000	New Growth Point Funding – Capital						-7,818,127
-457,694	Partnership Contributions	3					-308,000
-2,778,941	Surplus (-) / Deficit (+) for Year						-639,293

STATEMENT OF MOVEMENT ON THE GENERAL FUND BALANCE

2008/09		Note	Revenue	2009/10 Capital	Total
£			£	£	£
0	General Fund Balance Brought Forward		-1,018,549	-1,760,392	-2,778,941
-2,778,941	Surplus (-) / Deficit (+) for the year on the Income and Expenditure Account		-66,946	-572,347	-639,293
-2,778,941	Balance on General Fund Carried Forward		-1,085,495	-2,332,739	-3,418,234

STATEMENT OF RECOGNISED GAINS AND LOSSES

The only recognised gains and losses are incorporated into the Income and Expenditure Account and the Statement of Movement on the General Fund Balance.

BALANCE SHEET

2008/09		Note	2009/10
£			£
	Current Assets:		
183,570	Debtors	5	50,000
0	Payments in Advance		0
4,353,632	Cash		6,153,606
4,537,202	Total Current Assets		6,203,606
	Current Liabilities:		
979,134	Creditors	6	2,180,072
779,127	Receipts in Advance	7	605,300
1,758,261	Total Current Liabilities		2,785,372
2,778,941	Net Current Assets		3,418,234
	Financed By:		
	General Reserves:		
1,018,549	For Revenue Purposes		1,085,495
1,760,392	For Capital Purposes		2,332,739
2,778,941	Total General Reserves		3,418,234

CASH FLOW STATEMENT

2008/09 £		Note	2009/10 £
	Revenue Activities		
	Cash Outflows:		
753,090	Operating Costs		1,625,183
753,090			1,625,183
	Cash Inflows:		
-728,568	Specific Government Grants		-1,422,216
-866,694	Other Income		-959,370
-1,595,262			-2,381,586
-842,172	Net Cash inflow from revenue activities	8	-756,403
	Returns on Investments and Servicing of Finance		
	Cash Outflow:		
-	Interest Paid		-
	Cash Inflow:		
-249,577	Interest Received		-22,555
-249,577	Net Cash inflow from Servicing of Finance		-22,555
	Capital Activities		
	Cash Outflow:		
4,071,244	Grants for Capital Purposes		6,231,984
4,071,244			6,231,984
	Cash Inflows:		
-7,333,127	Capital Grant		-7,253,000
-3,261,883	Net Cash inflow from Capital Activities	9	-1,021,016
-4,353,631	Net Cash inflow (-) / outflow (+)		-1,799,974

Note: Cash inflows are shown as negative numbers (-), outflows as positive.

NOTES TO THE CORE FINANCIAL STATEMENTS

1. Apportionment of Costs From Corporate and Democratic Core

All costs incurred by the PUSH corporate management team cover all PUSH activities, and are not attributable to any individual Delivery Panel. There has therefore been no apportionment of these costs.

2. Interest Received

The Treasurer to the Joint Committee is also County Treasurer of Hampshire County Council. The balance held on the PUSH account is pooled with that of the County Council and interest is paid based on the average 7 day rate.

3. Partner Contributions 2009/10

Council	£
East Hampshire DC	3,080
Eastleigh BC	18,480
Fareham BC	18,480
Gosport BC	12,320
Hampshire CC	86,240
Havant BC	18,480
New Forest DC	12,320
Portsmouth CC	58,520
Southampton CC	70,840
Test Valley BC	6,160
Winchester CC	3,080
Total Partner Contributions	308,000

4. PUSH Payments to Partners

The table below sets out payments made to partners from PUSH in 2009/10

Partner	Revenue £	Capital £
Eastleigh BC	51,906	120,090
Fareham BC	73,834	-
Gosport BC	-	1,156,988
Havant BC	63,296	-
Portsmouth CC	424,436	1,086,792
Southampton CC	93,270	1,511,198
Winchester CC	37,254	-
Transport for South Hampshire	250,000	2,847,184
Total	993,996	6,722,252

5. Debtors

	2008/09	2009/10
	£	£
Government Departments	-	-
Other Local Authorities	183,570	50,000
Sundry Debtors	-	-
	183,570	50,000

6. Creditors

	2008/09	2009/10
	£	£
Government Departments	14,800	15,000
Other Local Authorities	959,927	1,862,538
Sundry Creditors	4,407	302,535
	979,134	2,180,072

The definition of the heading 'Government Departments' includes HM Revenues & Customs.

7. Receipts in Advance

	2008/09	2009/10
	£	£
Capital	565,127	0
Revenue	214,000	605,300
	779,127	605,300

8. Reconciliation of Income and Expenditure Account to net cash inflow from revenue activities

	£
Surplus on Income & Expenditure Account	-66,946
Decrease in Debtors	-133,570
Increase in Creditors	-187,143
Increase in Receipts in Advance	-391,300
Less Interest Received	22,555
	-756,404

9. Reconciliation of Income and Expenditure Account to net cash inflow from capital activities

	£
Surplus on Income & Expenditure Account	-572,347
Increase in Debtors	-
Increase in Creditors	-1,013,796
Decrease in Receipts in Advance	565,127
	-1,021,016

10. Publicity

A total of £44,471.13 was spent on publicity, all in respect of adverts for recruitment of posts, except for £275.00 on website amendments.

11. Disclosure of Audit Costs

In 2009/10, the Joint Committee paid a total fee to the Audit Commission of £15,000.

12. Financial Instruments

In accordance with Financial Reporting Standard (FRS 26) debtors, payments in advance and temporary lending are classified as loans and receivable financial instruments. Creditors, receipts in advance and temporary borrowing are classified as financial liabilities at amortised cost. All such elements included in the Balance Sheet are short term and have been valued at face value, which is a reasonable assessment of fair value.

13. Other notes that require disclosure but which this Joint Committee has nothing to report

- There have been no acquired or discontinued operations during the year.
- There were no exceptional items, extraordinary items or prior period adjustments in the year.
- The Joint Committee has no undischarged obligations from long-term projects.
- The Joint Committee does not have any intangible fixed assets.
- The Joint Committee does not have a controlling or dominant influence in any company.
- The Joint Committee has no interests that would require the production of Group Accounts.
- The Joint Committee has no Business Improvement District Schemes in operation.

- The Joint Committee has no discretionary expenditure or pooled funds under the Health Act 1999.
- The Joint Committee does not administer any Trust Funds.
- The Joint Committee does not have any interest in Building Control and therefore no requirement to produce building control accounts.
- The Joint Committee does not operate a scheme under the Transport Act 2000.
- The Joint Committee does not have any Public Finance Initiative schemes.
- No Allowances have been paid to Members.
- There are no related party transactions involving Members or Officers.
- There have been no post balance sheet events up to the date of the issue of the accounts to the Joint Committee.