



# **Report to the Partnership for Urban South Hampshire Joint Committee**

Date: **7 July 2010**

Report of: **Sarah Pook, Treasurer and Anne-Marie Mountifield, Executive Director**

Subject: **Revised Capital and Revenue Budgets 2010/11**

## **SUMMARY**

At its last meeting in June, the Joint Committee approved revised budgets for 2010/11, taking into account the final spend in 2009/10 and the uncertainty over resources for 2010/11. This report sets out the latest position with regard to both revenue and capital, and requests approval for committing expenditure on additional capital projects. In the event that PUSH receives further confirmations on funding a verbal update will be provided at the meeting.

## **RECOMMENDATION**

This Committee is recommended to:-

1. APPROVE the committed capital and revenue budgets for 2010/11 as set out in the report.
2. APPROVE expenditure in 2010/11 on the following capital projects:-
  - Eastleigh Riverside - £125,000;
  - Southampton Estate Regeneration - £1,240,000; and
  - Gosport Waterfront and Town Centre Master Plan - £37,000.
3. NOTE that an unallocated balance of £484,000 on the capital programme will be reviewed when the 2010/11 funding position is clarified.
4. NOTE that the position regarding New Growth Point capital funding in 2010/11 is still to be confirmed.
5. NOTE the additional revenue resources from SEEDA, and that further confirmation of the total funding is still being sought.

## INTRODUCTION

1. This report updates the capital and revenue budgets that were approved by the Joint Committee in June 2010.
2. There is still uncertainty over the capital resources available to PUSH for the current financial year, and at its last meeting in June 2010, the Joint Committee approved the committed carry forward from 2009/10. The Joint Committee is now asked to approve a further allocation of the uncommitted balance brought forward to enable ongoing projects to proceed.
3. The Joint Committee also approved a revised revenue allocation to Delivery Panels, on the basis that funding from SEEDA had not been confirmed. The revenue programme has been updated to reflect that the first quarter of SEEDA's contribution has now been agreed.

## RESOURCES

4. Table 1, below, shows the estimated PUSH resources available for 2010/11 and 2011/12. This is as presented to the Joint Committee in June 2010, except for the addition of the first quarter of the funding expected from SEEDA, who have confirmed that this will be their minimum contribution to PUSH.
5. There is currently no further update from Housing and Communities Agency on the New Growth Point capital funding for 2010/11, and until the position is clarified no resources will be committed beyond those carried forward from 2009/10.
6. The totals for capital and revenue resources are the control totals for the revised budgets detailed below.

<b>Table 1: Total resources available</b>	2010/11 Anticipated Budget	2010/11 Committed Budget for 2010/11 (less 'at risk' resources)	2011/12 Indicative Budget
	£000	£000	£000
<b>Revenue funds</b>			
Core funding (local authorities)	315	315	315
New Growth Point (revenue)	578	578	0
SEEDA core contribution	165	41	0
Interest on balances	20	20	5
Other local authority funding	15	15	0
Cultural Coordinator Contributions	55	55	0
SEEDA Contribution to Quality Places Launch	5	5	0
Underspend from previous year	636	636	376
Planned carry forward from 2009/10 to 2010/11	466	466	0
	<b>2,255</b>	<b>2,131</b>	<b>696</b>

<b>Capital funds</b>			
New Growth Point (capital)	5,336	0	0
Planned underspend from previous year	370	370	0
Add. Carry forward from 09/10	1,964	1,964	0
	<b>7,670</b>	<b>2,334</b>	<b>0</b>
<b>Total resources</b>	<b>9,925</b>	<b>4,465</b>	<b>696</b>

## REVENUE BUDGET

7. Table 2, below, sets out the revenue budget for 2010/11 as approved by the Joint Committee in June 2010, with the addition of £41,000, being the first quarter contribution from SEEDA. At this point, it is recommended that this funding is allocated to the balance, and carried forward to 2011/12.

<b>Table 2: Revenue Allocations</b>	2010/11 Cash Limit approved at January JC	Carry Forward of 2009/10 Under spend	Committed Budget for 2010/11 (less 'at risk' resources)	2011/12 Indicative Allocation
	£000	£000	£000	£000
Economic Development	475	0	360	200
Sustainability and Community Infrastructure	100	30	130	0
Housing and Planning	240	49	289	0
Quality Places	185	11	196	15
Transport for South Hampshire	250	0	250	0
External Funding and Resources	65	10	75	40
Central Costs and Operational Contingency	433	22	455	400
Balance	358	139	376	41
<b>Total</b>	<b>2,106</b>	<b>261</b>	<b>2,131</b>	<b>696</b>

## CAPITAL BUDGET

8. Table 3, below, sets out the capital budget for 2010/11 as approved by the Joint Committee in June 2010, together with additional allocations proposed to allow for a number of ongoing projects to continue, funded by the previously unallocated balance carried forward from 2009/10.
9. In view of the continuing uncertainty on the level of 2010/11 New growth Point capital funding, it is not recommended that any further funding for projects be confirmed at this stage. The unallocated balance of £484,000 will be reviewed
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when the overall position becomes clearer.

<b>Table 3: Capital Allocations</b>	2010/11 Cash Limit approved at January JC	Carry Forward of 2009/10 Under spend	Committed Budget for 2010/11 (less 'at risk' resources)
	£000	£000	£000
Economic Development	600	0	125
Sustainability and Community Infrastructure	60	49	49
Housing and Planning	3,116	0	1,277
Quality Places	0	232	232
Transport for South Hampshire	3,307	167	167
Balance	0	139	484
<b>Total</b>	<b>7,083</b>	<b>587</b>	<b>2,334</b>

10. The detailed allocations to projects are set out in the tables below.

<b>Table 4a: Recommended Economic Development Capital Allocations 2010/11</b>		
Project	January JC Approved Allocation (£000s)	Committed Budget for 2010/11 (less 'at risk' resources) (£000s)
Eastleigh River Side	600	125
<b>TOTAL</b>	<b>600</b>	<b>125</b>

11. The recommended allocation for Economic Development in 2010/11 includes the cost of the Programme Manager post, who has led on the HCA Local investment Plan and wider employment sites work, together with funding for the ongoing work to continue to develop this high priority project.

<b>Table 4b: Recommended Sustainability &amp; Community Infrastructure Capital Allocations 2010-11</b>		
Project	January JC Approved Allocation (£000s)	Committed Budget for 2010/11 (less 'at risk' resources) (£000s)
Renewable Energy Evaluation Pilot	10	20
Portsmouth E/W Sewers/ Water Separation	0	29
<b>TOTAL</b>	<b>10</b>	<b>49</b>

12. The recommended allocations for Sustainability and Community Infrastructure are as reported to the Joint Committee in June 2010.

<b>Table 4c: Housing and Planning Capital Allocations 2010/11</b>		
Project	January JC Approved Allocation (£000s)	Committed Budget for 2010/11 (less 'at risk' resources) (£000s)
Gosport Waterfront and Town Centre Master-planning	37	37
Somerstown Portsmouth	1,839	0
Southampton Estate Regeneration	1,240	1,240
<b>TOTAL</b>	<b>3,116</b>	<b>1,277</b>

13. It is recommended that the original allocations to Gosport Waterfront and to Southampton Estate Regeneration be confirmed to allow these ongoing projects to continue. Further work is being undertaken to look at Somerstown.

<b>Table 4d: Quality Places Capital Allocations 2010/11</b>		
Project	JC Approved Allocation (£000s)	Committed Budget for 2010/11 (less 'at risk' resources) (£000s)
Portsmouth Creative Industries	0	232
<b>TOTAL</b>	<b>0</b>	<b>232</b>

14. The recommended allocations for Quality Places are as reported to the Joint Committee in June 2010.

Project	JC Approved Allocation (£000s)	Committed Budget for 2010/11 (less 'at risk' resources) (£000s)
M27 Junction 5 Phase 1	0	167
M27 Junction 5 Phase 2	1,915	0
M27 Junction 5 Phase 3	400	0
Tipner	992	0
<b>TOTAL</b>	<b>3,307</b>	<b>167</b>

15. The recommended allocations for Transport for South Hampshire are as reported to the Joint Committee in June 2010.

## **CONCLUSION**

This Committee is recommended to:-

- (a) APPROVE the committed capital and revenue budgets for 2010/11 as set out in the report.
- (b) APPROVE expenditure in 2010/11 on the following capital projects:-
  - Eastleigh Riverside - £125,000;
  - Southampton Estate Regeneration - £1,240,000; and
  - Gosport Waterfront and Town Centre Master Plan - £37,000.
- (c) NOTE that an unallocated balance of £484,000 on the capital programme will be reviewed when the 2010/11 funding position is clarified.
- (d) NOTE that the position regarding New Growth Point capital funding in 2010/11 is still to be confirmed.
- (e) NOTE the additional revenue resources from SEEDA, and that further confirmation of the total funding is still being sought.

### **Background Papers:**

Joint Committee 26 January 2010 - Item 13 Revenue and Capital Forward Budgets 2010/11 and 2011/12.

Joint Committee 23 March 2010 - Item 13 Revenue and Capital Budget Monitoring 2009/10

Joint Committee 23 June 2010 – Item 14 Revised Capital and Revenue Budgets 2010/11.

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