



Report to the Partnership for Urban South Hampshire Joint Committee

Date: 14 September 2010

Report of: Carolyn Williamson, Treasurer and Anne-Marie Mountifield,
Executive Director

Subject: Capital and Revenue Budget Monitoring 2010/11

SUMMARY

At its last meeting in July, 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 confirms the funding position for 2010/11, and sets out a revised capital programme for the year. The report also provides an update for the Joint Committee on progress to date against the approved revenue and capital programmes in the current financial year.

RECOMMENDATION

This Committee is recommended to:-

1. APPROVE the revised capital and revenue budgets for 2010/11 as set out in the report, following confirmation of the New Growth Point capital funding position.
2. APPROVE expenditure in 2010/11 on the following capital project:-
 - Dunsbury Hill Farm - £350,000
3. APPROVE the withdrawal of the proposed funding for M27 Junction 5 phases 2 and 3 as the conditions for the funding have not been met.
4. APPROVE the reduction of the proposed award to the Tipner project from £992,000 to £360,000.
5. APPROVE the proposed approach to the allocation of the remaining capital funds and to NOTE that proposals will be brought to the November meeting of the Joint Committee.
6. NOTE the current performance against the capital and revenue programmes in the current year.
7. NOTE the revised revenue funding position from SEEDA.
8. APPROVE the allocation of core funding released by the additional resources from SEEDA to help fund the indicative programme for 2011/12.

INTRODUCTION

1. This report updates the capital and revenue budgets that were approved by the Joint Committee in June and July 2010.
2. Since the Joint Committee meeting in July, CLG and HCA have confirmed that PUSH will receive the provisional New Growth Point funding previously reported to the Joint Committee in January 2010. This report therefore sets out a revised capital programme, based on that which was agreed by the Joint Committee in January 2010.
3. This report also updates the Joint Committee on progress against both the revenue and capital programmes for the 2010/11 financial year.

RESOURCES

4. Table 1, below, shows the estimated PUSH resources available for 2010/11 and 2011/12. This now includes confirmed funding for 2010/11 of £99,000 from SEEDA, compared to the original forecast contribution of £165,000, and to the £41,000 agreed for the first quarter, which was reported to the July Joint Committee.
5. As approved by the Joint Committee in July, the additional £58,000 now confirmed from SEEDA will release PUSH core funding to be used to increase the balance available to resource the revenue programme for 2011/12.
6. Capital New Growth Point funding of £5,336,000, which was at risk at the time of the last Joint Committee has now been confirmed by CLG and HCA, and has been paid over on 27 August. This has therefore been restored into the capital resources for 2010/11 as set out below.
7. The totals for capital and revenue resources are the control totals for the revised budgets detailed below.

Table 1: Total resources available	2010/11 Original Budget Approved Jan. 10 £000	2010/11 Revised Budget £000	2010/11 Received to date £000	2011/12 Indicative Budget £000
Revenue funds				
Core funding (local authorities)	315	315	315	315
New Growth Point (revenue)	578	578	578	0
SEEDA core contribution	165	99	0	0
Interest on balances	20	20	0	5
Other local authority funding	15	15	3	0
Cultural Coordinator	55	55	49	0
Contributions				
SEEDA Contribution to Quality	5	5	5	0
Places Launch				
Underspend from previous year	636	636	636	434
Planned carry forward from	466	466	466	0

2009/10 to 2010/11				
	2,255	2,189	2,052	754
Capital funds				
New Growth Point (capital)	5,336	5,336	5,336	0
Planned underspend from previous year	370	370	370	0
Add. Carry forward from 09/10	1,964	1,964	1,964	0
	7,670	7,670	7,670	0
Total resources	9,925	9,859	9,722	754

REVENUE BUDGET

8. Table 2, below, sets out the revenue budget for 2010/11 as approved by the Joint Committee in July 2010, with the addition of £58,000, being the additional allocation agreed by SEEDA, as discussed above. The allocations to Delivery Panels, TfSH and the core team for 2010/11 remain unchanged, with the SEEDA funding freeing up PUSH balances to be used to be carried forward to fund the provisional revenue programme for 2011/12.
9. The table also shows spend in the current financial year to the end of August. Regular monitoring meetings are being held with each Delivery Panel and on the core team budget to ensure that the budget is on track to being delivered, and there are no significant issues at this stage in the year.

Table 2: Revenue Allocations	2010/11 Cash Limit approved at January JC	C/F 2009/10 Under spend	Reductions approved by JC July 2010	Revised Budget 2010/11	Spend to end August 2010/11	2011/12 Indicative Allocation
	£000	£000	£000	£000	£000	£000
Economic Development	475	0	-115	360	52	200
Sustainability and Community Infrastructure	100	30	0	130	0	0
Housing and Planning	240	49	0	289	64	0
Quality Places	185	11	0	196	23	15
Transport for South Hampshire	250	0	0	250	0	0
External Funding and Resources	65	10	0	75	0	40
Central Costs and Operational Contingency	433	22	0	455	148	400
Balance	358	76	0	434	0	99
Total	2,106	198	- 115	2,189	287	754

CAPITAL BUDGET

10. Table 3, below, sets out the capital budget for 2010/11 as approved by the Joint Committee in June 2010, together with the original January 2010 allocations added back following confirmation of 2010/11 New Growth Point funding.
11. The proposals set out below total £4,924,000 leave an unallocated balance of £2,746,000 still to be allocated in the current financial year. Projects considered by the Joint Committee in January 2010 will be reviewed, and new projects will be considered, before a revised programme is brought to the November meeting of the Joint Committee for approval. Discussions are ongoing with CLG and HCA to confirm the approach to any carry forward of funding into next financial year.
12. The table also reports on spend against the approved programme to the end of August. Due to the uncertainty over funding, a number of the approved projects have delayed work at the start of the financial year, but following confirmation of the funding position will now be able to proceed. The progress on each project is being regularly reviewed and reported by the Programme and Information Manager.

Table 3: Capital Allocations	Approved Budget for 2010/11 July JC	Projects Approved Jan 2010 added back	Proposed new projects	Total Revised Budget	Spend to end August
	£000	£000	£000	£000	£000
Economic Development	125	475	350	950	24
Sustainability and Community Infrastructure	49	50	0	99	0
Housing and Planning	1,277	1,839	0	3,116	0
Quality Places	232	0	0	232	0
Transport for South Hampshire	167	360	0	527	0
Balance	0	0	0	2,746	0
Total	1,850	2,724	350	7,670	24

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

Table 4a: Recommended Economic Development Capital Allocations 2010/11					
Project	Approved Budget for 2010/11 July JC	Projects Approved Jan 2010 added back	Proposed new projects	Total Revised Budget	Spend to end August
	£000	£000	£000	£000	£000
Eastleigh River Side	125	475	0	600	24
Dunsbury Hill Farm	0	0	350	350	0
TOTAL	125	475	350	950	24

14. The recommended allocation for Eastleigh Riverside 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. Although the funding for the Riverside project has been restored to the figure approved by the Joint Committee in January 2010, the programme is being reviewed by the Project Team to ensure that this is deliverable in the current year, and the outcome of that review will be reported to the Joint Committee in November, together with any consequent revisions.
15. Dunsbury Hill Farm was considered by the Joint Committee in January 2010, and was identified as a strategic priority. However due to lack of available funds at that time, it was not possible to approve the project for inclusion into the programme, although the Joint Committee did agree that it would be a priority for inclusion should funding become available. It is therefore recommended that this project be approved for funding as originally set out in the project appraisal in January 2010.

Table 4b: Recommended Sustainability & Community Infrastructure Capital Allocations 2010-11					
Project	Approved Budget for 2010/11 July JC	Projects Approved Jan 2010 added back	Proposed new projects	Total Revised Budget	Spend to end August
	£000	£000	£000	£000	£000
Renewable Energy Evaluation Pilot	20	0	0	20	0
Forest Park	0	50	0	50	0
Portsmouth E/W Sewers/ Water Separation	29	0	0	29	0
TOTAL	49	50	0	99	0

16. The recommended allocations for Sustainability and Community Infrastructure are as reported to the Joint Committee in July 2010, with the addition of the Forest Park project originally approved by the Joint Committee in January 2010.

Table 4c: Housing and Planning Capital Allocations 2010/11					
Project	Approved Budget for 2010/11 July JC	Projects Approved Jan 2010 added back	Proposed new projects	Total Revised Budget	Spend to August
	£000	£000	£000	£000	£000
Gosport Waterfront and Town Centre Master-planning	37	0	0	37	0
Somerstown Portsmouth	0	1,839	0	1,839	0
Southampton Estate Regeneration	1,240	0	0	1,240	0
TOTAL	1,277	1,839	0	3,116	0

17. The original allocations to Gosport Waterfront and to Southampton Estate Regeneration were confirmed by the Joint Committee in July 2010. It is now recommended that the original approved allocation to Somerstown be re-instated.
18. Discussions are ongoing between PUSH officers and the Somerstown project team to ensure that the project will be able to meet the milestones as set out in the Joint Committee approval in January 2010, and spend the full allocation in the current year.

Table 4d: Quality Places Capital Allocations 2010/11					
Project	Approved Budget for 2010/11 July JC	Projects Approved Jan 2010 added back	Proposed new projects	Total Revised Budget	Spend to August
	£000	£000	£000	£000	£000
Portsmouth Creative Industries	232	0	0	232	0
TOTAL	232	0	0	232	0

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

Table 4e: Transport for South Hampshire Capital Grant 2010/11					
Project	Approved Budget for 2010/11 July JC	Projects Approved Jan 2010 added back	Proposed new projects	Total Revised Budget	Spend to August
M27 Junction 5 Phase 1	167	0	0	167	0
Tipner	0	360	0	360	0
TOTAL	167	360	0	527	0

20. PUSH funding for the M27 Junction 5 phases 2 and 3 was conditional on bids for other external funding being successful. At this stage, there is continuing uncertainty over whether any funding will be available. In addition, there is a requirement for a habitat study to be undertaken before Phase 2 can commence, and this study cannot now be carried out until May 2011 at the earliest. It is therefore recommended that the funding for both Phase 2 and 3 be withdrawn in the current year.
21. Work on Tipner is unable to proceed as originally planned owing to continuing uncertainty over central funding for transport schemes. Work has been continuing to ensure that the site is as ready as possible should the funding become available. It is therefore recommended that the funding be reduced from £992,000 to £360,000 in the current year.
22. TfSH is seeking funding for evidence base transport led modelling to underpin housing development sites. A total of £500,000 is required. The project is to identify and appraise a series of transport interventions that will deliver a coherent transport strategy in South Hampshire for the period from 2014. It is required to help deliver the emerging PUSH economic development and housing / community strategies which requires transport solutions to:

- access key employment and housing sites and
- provide access to major urban extensions and the proposed SDAs

The project involves:

- collection of information to analyse current and future constraints and opportunities
- development of forecasting tools to predict the impact of possible interventions on the transport system
- appraising possible interventions, including investment options, and measuring the impacts
- the publication of the strategy to support investment in preferred solutions, including capital expenditure where appropriate

23. The Joint Committee is therefore advised that a proposal will come forward at the next meeting in November.

CONCLUSION

24. This Committee is recommended to:-

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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.

Joint Committee 7 July 2010 – Item 6 Revised Capital and Revenue Budgets 2010/11

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