



Report to the Partnership for Urban South Hampshire Joint Committee

Date: 8 June 2011

Report of: Andrew Lowe, Chief Financial Officer and Anne-Marie Mountifield, Executive Director

Subject: Capital and Revenue Outturn 2010/11 and Capital and Revenue Budget for 2011/12

SUMMARY

This report summarises the outturn against the budget for the financial year 2010/11, as set out in the Statement of Accounts 2010/11 to be approved by this Committee. It also updates the budgets for 2011/12, to reflect the outturn for 2010/11, in addition to any other changes, and gives approval to revised carry forward figures to 2011/12 from 2010/11 in the light of the final outturn.

RECOMMENDATION

This Committee is recommended to:-

1. NOTE the outturn for the financial year 2010/11;
2. APPROVE the revised Capital and Revenue Budgets for 2011/12 as set out in the report;
3. APPROVE the following adjustments to the carry forwards previously approved for the Revenue Budget 2011/12:
 - Economic Development – approved carry forward reduced from £98,000 to £90,000 resulting in a total allocation for 2011/12 of £192,000;
 - Sustainability and Community Infrastructure – carry forward increased from £26,000 to £29,000;
 - Quality Places – approved carry forward reduced by £10,000 to £23,000, resulting in a total allocation for 2011/12 of £38,000;
 - External Funding – carry forward increased from £50,000 to £75,000.
4. APPROVE the following adjustments to the carry forwards previously approved for the Capital Budget 2011/12:

- Dunsbury Hill Farm – carry forward increased from £250,000 to £335,000;
 - National Cycle Network – budget for 2011/12 reduced from £145,000 to £137,000;
 - Somerstown – budget for 2011/12 reduced from £470,000 to £302,000.
5. APPROVE the use of the uncommitted balance in 2010/11 to fund the cost of the Employer's Liability arising from the restructuring of the PUSH Team.

INTRODUCTION

1. This report summarises the outturn for the financial year 2010/11 against the approved budget. The formal approval of the Statement of Accounts for 2010/11 is also on the agenda for this meeting of the Joint Committee.
2. The report also reflects the impact of the outturn for 2010/11 on the previously approved budgets for 2011/12. The Joint Committee is asked to formally approve a number of amendments to the previously approved carry forwards, and to endorse the revised budget for 2011/12.

RESOURCES

3. Table 1, below, shows the PUSH resources for 2010/11, together with the resources available for 2011/12.
4. The interest received on the balance in the PUSH account for the financial year 2010/11 is confirmed as £21,000 - £1,000 higher than budgeted. The extra income has been added to the uncommitted balance.
5. The resources for the financial year 2011/12 have been calculated from the partner contributions, based on the 2010/11 contributions of the remaining partners, plus the anticipated contribution from the Isle of Wight Council as set out in the revised Joint Agreement, the CLG Transitional Fund awarded to PUSH for 2011/12, together with the revenue underspend, the uncommitted capital balance, and the committed carry forwards from the 2010/11 financial year.
6. 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 Outturn £000	2011/12 Provisional Budget £000
Revenue funds				
Core funding (local authorities)	315	315	315	347
CLG Transitional fund	0	0	0	90
New Growth Point (revenue)	578	578	578	0
SEEDA core contribution	165	99	99	0
Interest on balances	20	20	21	5
Other local authority funding	15	15	15	0
Cultural Coordinator Contributions	55	55	55	0
SEEDA Contribution to Quality Places Launch	5	5	5	0
Planned carry forward from previous year	466	466	466	288
Add. underspend from previous year	636	618	618	611

	2,255	2,171	2,172	1,341
Capital funds				
New Growth Point (capital)	5,336	5,336	5,336	0
Planned underspend from previous year	370	370	370	3,464
Add. Carry forward from previous year	1,964	1,964	1,964	251
	7,670	7,670	7,670	3,715
Total resources	9,925	9,841	9,842	5,056

REVENUE BUDGET

7. Table 2, below, sets out the revenue budget for 2010/11 as approved by the Joint Committee in March 2011. The table also shows the outturn for 2010/11. The confirmed underspend for the year will, together with the CLG transitional fund and partner contributions for 2011/12, provide resources to meet commitments in 2011/12 .
8. At the meeting in March 2011, the Joint Committee approved the carry forward of specific underspends to 2011/12, and provisional allocations for each Delivery Panel. Following the updating of the outturn, as reported in Table 2, the Joint Committee is now asked to approve a number of amendments to the carry forward figures, and to confirm the revenue budgets for 2011/12.
9. For Economic Development a total carry forward of £98,000 was approved. Since this time further work has been completed on inward investment and European projects. Therefore the Joint Committee is asked to agree that the total carry forward is reduced to £90,000, and the allocation to the Delivery Panel be reduced from £200,000 to £192,000.
10. In March, the Joint Committee approved the carry forward of £26,000 in the revenue budget for Sustainability and Community Infrastructure to 2011/12. As a result of an additional underspend of £3,000 in 2010/11, the Joint Committee is asked to approve the carry forward of this amount to 2011/12. The total revenue budget for the Panel will be £29,000.
11. Within the Housing and Planning revenue budget, £71,000 was approved to be carried forward to 2011/12 to facilitate activities identified in the PUSH Local Investment Plan agreed with HCA, and endorsed by the Joint Committee in September 2010. There is no change to this amount, and the allocation to the Panel remains at £100,000.
12. The Joint Committee in March approved a provisional allocation of £48,000 for Quality Places revenue budget. Since this time, further work has been completed and therefore the carry forward has been reduced, and the provisional allocation for 2011/12 has been adjusted accordingly to £38,000.
13. The TfSH revenue allocation for 2010/11 of £250,000 is fully spent, and there is no revenue allocation for 2011/12.

14. Although work has been commissioned by the External Funding Panel in 2010/11 and has commenced, the expenditure will be incurred in 2011/12. On this basis, the Joint Committee is asked to approve the carry forward of an additional £25,000, giving a budget of £75,000 in 2011/12.
15. It should also be noted that the charge of £75,000 set against the uncommitted balance in 2010/11 reflects the cost of the employer's liability for pension strain resulting from the restructuring of the PUSH team, and in line with the previous report a contingency was set aside to cover transition costs, as PUSH reconfigures. The Joint Committee is now asked to formally approve this charge from the balance.
16. In relation to 2011/12 it should also be noted that PUSH has been awarded a provisional allocation of £90,000 from CLG. This allocation, once confirmed, will be allocated across the Economic Development and Housing and Planning theme areas, with £30,000 for Economic Development and £60,000 for Housing and Planning..

Table 2: Revenue Allocations	Revised Revenue Budget Jan 2011	Outturn for 2010/11	Under spend (-) 2010/11	Carry Forward to 2011/12 approved	Carry Forward amendment to be approved	2011/12 Proposed Allocation
	£000	£000	£000	£000	£000	£000
Economic Development	360	176	-184	98	-8	192
Sustainability and Community Infrastructure	107	101	-6	26	3	29
Housing and Planning	188	115	-73	71	0	100
Quality Places	196	173	-23	33	-10	38
Transport for South Hampshire	250	250	0	0	0	0
External Funding and Resources	75	0	-75	50	25	75
Central Costs and Operational Contingency	505	383	-122	0	0	550
Balance	491	75	-416	0	0	267
CLG Transitional fund	0	0	0	0	0	90
Total	2,172	1,273	- 899	278	10	1,341

CAPITAL BUDGET

17. Table 3, below, sets out the capital budget for 2010/11 as approved by the Joint Committee in March 2011. The balance of £415,000 was allocated for 2011/12 as set out in the Supplementary Capital Programme report, approved by the Joint Committee in March 2011.

Table 3: Capital Allocations	Budget approved March 2011	Outturn for 2010/11	Under spend (-) 2010/11	Provisional Allocation 2011/12 (March JC)	Carry Forward amendment to be approved	Proposed Budget 2011/12
	£000	£000	£000	£000	£000	£000
Economic Development	1,406	145	-1,261	1,186	85	1,271
Sustainability and Community Infrastructure	205	62	-143	145	-8	137
Housing and Planning	3,445	2,922	-523	698	-168	530
Quality Places	1,075	232	-843	1,143	0	1,143
Transport for South Hampshire	1,124	594	-530	530	0	530
Programme Management	0	0	0	100	0	100
Balance	415	0	-415	0	0	4
Total	7,670	3,955	-3,715	3,802	- 91	3,715

18. The tables 4a to 4e also detail the outturn for 2010/11 for each delivery theme, against each project, the provisional allocations for 2011/12 approved by the Joint Committee in March, and the final allocations for 2011/12 following confirmation of the outturn for 2010/11. The paragraphs below also set out the detail for each project and the proposed programme for 2011/12.

Economic Development

Table 4a: Economic Development Capital Programme	Budget approved March 2011	Outturn for 2010/11	Under spend (-) 2010/11	Provisional Allocation 2011/12 (March JC)	Carry Forward amendment to be approved	Provisional Budget 2011/12
Project	£000	£000	£000	£000	£000	£000
Eastleigh River Side	406	130	-276	271	0	271
Dunsbury Hill Farm	350	15	-335	250	85	335
Swan Studios	150	0	-150	150	0	150
SEEDA Sites & Regeneration	500	0	-500	500	0	500
Gosport Waterfront	0	0	0	15	0	15
TOTAL	1,406	145	-1,261	1,186	85	1,271

19. Work is progressing on the Dunsbury Hill Farm project. However, since the last Joint Committee update, the project has experienced further delays and therefore the actual outturn for 2010/11 at £15,000 is a lot lower than the anticipated spend of £100,000 in 2010/11. The work was completed in the month of March 2011 to the value of £85,000, and therefore the expenditure will be reflected in the 2011/12 year. Key activities completed include a draft master plan of the development site, a series of environmental impact assessment surveys, the commissioning of ground investigation work, transport assessment of the road network and highways design.. As a result we are seeking Joint Committee agreement to a carry forward of £85,000 to support activities completed up to 31st March. This amount is in addition to the previously approved carry forward allocation of £250,000 agreed at the March Joint Committee meeting.
20. Of the remaining three projects; the Swan Studios and SEEDA sites were only recently approved by Joint Committee and therefore it was not expected that any project spend would occur in 2010/11. Gosport Waterfront Feasibility was approved by the Joint Committee in March for funding in 2011/12.
21. Eastleigh Riverside project has progressed on a number of the identified feasibility studies including phase 1 of the Eastleigh Riverside Access study which is now complete. At the March Joint Committee, it was reported that the anticipated spend for this project would be £135,000 against a total budget of £406,000. However, actual 2010/11 outturn is £130,000, leaving a balance of £5,000 that will not be utilised.. It is proposed to return the underspend to the unallocated balance. On this basis the allocation for Eastleigh Riverside for 2011/12 remains £271,000

22. The Joint Committee is asked to confirm a capital budget for 2011/12 for Economic Development, covering five projects with a total allocation of £1,271,000.

Sustainability and Community Infrastructure

Table 4b: Sustainability & Community Infrastructure Capital Programme	Budget approved March 2011	Outturn for 2010/11	Under spend (-) 2010/11	Provisional Allocation 2011/12 (March JC)	Carry Forward amendment to be approved	Provisional Budget 2011/12
Project						
	£000	£000	£000	£000	£000	£000
Renewable Energy Evaluation Pilot	6	6	0	0	0	0
Forest Park	25	19	-6	0	0	0
Portsmouth E/W Sewers/ Water Separation	29	29	0	0	0	0
National Cycle Network	145	8	-137	145	-8	137
TOTAL	205	62	- 143	145	- 8	137

23. Forest Park project is now complete with an outturn of £19,000 against a total budget of £25,000. This leaves an underspend of £6,000. It is proposed that the underspend is returned to the unallocated capital balance.
24. Although the remaining project, the National Cycle Network, was only recently approved by Joint Committee and therefore was not anticipated to begin until 2011/12, this project has commenced and as a result incurred some expenditure totalling £8,000 in 2010/11 against a total budget of £145,000. On this basis the 2011/12 budget will be reduced to reflect this.
25. The Joint Committee is asked to confirm a capital budget for 2011/12 for Sustainability and Community Infrastructure, covering one project with a total allocation of £137,000.

Housing and Planning

Table 4c: Housing and Planning Capital Programme	Budget approved March 2011	Outturn for 2010/11	Under spend (-) 2010/11	Provisional Allocation 2011/12 (March JC)	Carry Forward amendment to be approved	Provisional Budget 2011/12
Project	£000	£000	£000	£000	£000	£000
Gosport Waterfront and Town Centre Master-planning	37	37	0	0	0	0
SDA Staff costs	101	108	7	0	0	0
Somerstown Portsmouth	1,839	1,537	-302	470	-168	302
Southampton Estate Regeneration	1,240	1,240	0	0	0	0
Fareham SDA Tech. Studies	30	0	-30	30	0	30
North Rowner	198	0	-198	198	0	198
TOTAL	3,445	2,922	- 523	698	- 168	530

26. Since the last Joint Committee update, Phase 1 of Southampton's Hinkler Parade (Estate Renewal) project completed in March 2011 and fully spent its allocated budget of £1,240,000. This has resulted in a total of 30 homes completed to date. 14 of the 30 dwellings have been sold to people wishing to return to Hinkler Parade estate which in turn has helped to raise aspiration of the area. The remaining 16 new affordable homes will be allocated by May/June 2011 to people on the housing register wishing to live on Hinkler Parade estate.
27. Somerstown estate renewal has progressed beyond expectation since the March update. The majority of the enabling works on both the Wellington Street and Warwick Street development sites are now complete. Construction of the seven eco-friendly family social housing units on the Warwick Street development site is on schedule and due to complete by August 2011. Work to enable more development space by re-configuring and narrowing the wide roundabout close to the development site to create more room for additional housing is also underway. At the last Joint Committee meeting, the anticipated forecast outturn for this project in 2010/11 was £1,369,000 which resulted in the previously approved carry forward allocation of £470,000. However, due to the level of progress made, the Joint Committee is asked to note the higher than expected outturn of £1,537,000. The Joint Committee is asked to approve a revised carry forward budget of £302,000 for 2011/12.
28. The two remaining projects, Fareham SDA technical studies and North Rowner

were only recently approved by Joint Committee and therefore it was not anticipated that project spends would occur in 2010/11. As a result the allocations for 2011/12 match the budget approved in January 2011.

29. The Joint Committee is asked to confirm a capital budget for 2011/12 for Housing and Planning, covering three projects with a total allocation of £530,000.

Quality Places

Table 4d: Quality Places Capital Programme	Budget approved March 2011	Outturn for 2010/11	Under spend (-) 2010/11	Provisional Allocation 2011/12 (March JC)	Carry Forward amendment to be approved	Provisional Budget 2011/12
Project	£000	£000	£000	£000	£000	£000
Portsmouth Creative Industries	232	232	0	0	0	0
London Road Waterlooville	343	0	-343	343	0	343
Portsmouth Creative Industries Phase 2	500	0	-500	500	0	500
Southampton Cultural Quarter	0	0	0	300	0	300
TOTAL	1,075	232	- 843	1,143	0	1,143

30. Three new projects were approved for 2011/12 by the Joint Committee in January 2011 and March 2011. They are: London Road Waterlooville; the Southampton Cultural Quarter; and Portsmouth Creative Industries Phase 2. Spend was not expected to be incurred in 2010/11 but is programmed for 2011/12.
31. In relation to the Portsmouth Creative Industries phase 2 project, this was scheduled to complete by March 2012. Since the last meeting of the Joint Committee PUSH have been notified that the Project Board are seeking to transfer the project lead status from Portsmouth University to the New Theatre Royal, who would become the grant recipient. The University remains fully committed to the project, but have advised that the organisational arrangements have changed. This change arises from the decision of the New Theatre Royal, which the University support, to maximise the value of the land which they own by including some student accommodation in addition to the facilities for the Theatre and for the University. In addition it is now expected that the Planning application will be submitted shortly with a decision expected in September 2011. On this basis we will bring a full update back to the Joint Committee to consider at their next meeting in October 2011.

32. Therefore the allocations for 2011/12 match the provisional 2011/12 budget approved in March 2011. The Joint Committee is asked to confirm a capital budget for 2011/12 for Quality Places, covering three projects with a total allocation of £1,143,000.

Transport for South Hampshire

Table 4e: Transport for South Hampshire Capital	Budget approved March 2011	Outturn for 2010/11	Under spend (-) 2010/11	Provisional Allocation 2011/12 (March JC)	Carry Forward amendment to be approved	Provisional Budget 2011/12
Project	£000	£000	£000	£000	£000	£000
M27 Junction 5 Phase 1	167	167	0	0	0	0
Tipner	457	427	-30	30	0	30
Modelling Evidence Base	500	0	-500	500	0	500
TOTAL	1,124	594	- 530	530	0	530

33. In March 2011, the Joint Committee approved a carry forward of £30,000 into 2011/12 for the Tipner project to support the ecological studies expected to complete in August 2011. This work is progressing well.
34. The remaining project, the TfSH modelling evidence base, was only recently approved by Joint Committee and therefore the programmed project spend will be incurred in 2011/12.
35. On this basis the Joint Committee is asked to confirm a capital budget for 2011/12 for Transport for South Hampshire, covering two projects with a total allocation of £530,000.

CONCLUSION

36. The Joint Committee is recommended to:
1. NOTE the outturn for the financial year 2010/11;
 2. APPROVE the revised Capital and Revenue Budgets for 2011/12 as set out in the report;
 3. APPROVE the following adjustments to the carry forwards previously approved for the Revenue Budget 2011/12:
 - Economic Development – approved carry forward reduced from £98,000 to £90,000 resulting in a total allocation for 2011/12 of £192,000;
 - Sustainability and Community Infrastructure – carry forward increased from £26,000 to £29,000;

- Quality Places – approved carry forward reduced by £10,000 to £23,000, resulting in a total allocation for 2011/12 of £38,000;
 - External Funding – carry forward increased from £50,000 to £75,000.
4. APPROVE the following adjustments to the carry forwards previously approved for the Capital Budget 2011/12:
- Dunsbury Hill Farm – carry forward increased from £250,000 to £335,000;
 - National Cycle Network – budget for 2011/12 reduced from £145,000 to £137,000;
 - Somerstown – budget for 2011/12 reduced from £470,000 to £302,000.
5. APPROVE the use of the uncommitted balance in 2010/11 to fund the cost of the Employer's Liability arising from the restructuring of the PUSH Team.

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

Joint Committee 14 September 2010 – Item 7 Capital and Revenue Budget Monitoring 2010/11

Joint Committee 9 November 2010 – Item 13 Capital and Revenue Budget Monitoring 2010/11

Joint Committee 11 January 2011 – Item 7 Capital and Revenue Budget Monitoring 2010/11

Joint Committee 11 January 2011 – Item 8 PUSH 2010/11 Capital Programme Recommendations (including supplementary paper)

Joint Committee 9 March 2011 – Item 8 Capital and Revenue Budget Monitoring 2010/11 and Provisional Capital and Revenue Budgets 2011/12 (including supplementary paper)

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