



Report to the Partnership for Urban South Hampshire Overview and Scrutiny Committee

Date: **19 November 2013**

Report of: **Andrew Lowe, Chief Financial Officer and Gloria Ighodaro, Programme and Information Manager**

Subject: **Capital and Revenue Budget Monitoring 2013/14**

SUMMARY

This report provides an update for the Overview and Scrutiny Committee on progress to date against the revenue and capital programmes for the current financial year.

RECOMMENDATION

The Overview and Scrutiny Committee is recommended to:-

1. NOTE the revised capital and revenue budgets for 2013/14 as set out in the report, and NOTE the spend for the year to date.
2. NOTE the £10K contribution for financial year 2013/14 from PUSH to the Solent Local Transport Body (LTB).
3. NOTE the project status of the ARTches project and NOTE the delegated authority to the PUSH Chief Executives in consultation with the PUSH Chairman with a view to re allocating the total sum of £40,000 to an alternative project should this opportunity arise.

INTRODUCTION

1. This report provides an update for the Overview and Scrutiny Committee on progress to date against the approved revenue and capital programmes for the current financial year. It also identifies any recommended changes to these programmes.

RESOURCES

2. Table 1 below, shows the estimated PUSH resources available for 2013/14 which includes the actual income received for this financial year and under spends from 2012/13.
3. The totals for capital and revenue resources above are the control totals for the capital and revenue budgets detailed below.

<u>Table 1: Total Resources Available</u>	2013/14 Budget Approved Jun-13 £000s	2013/14 Budget Revised Sept-13 £000s	2013/14 Actual received to end Jul-13 £000s
<u>Revenue Funds</u>			
Core funding (local authorities)	162	162	-
Interest on balances	5	5	-
Other local authority funding	39	39	-
Under spend c/f from previous year	936	936	936
Sub-Total	1,142	1,142	936
<u>Capital Funds</u>			
Under spend c/f from previous year	1,001	1,001	1,001
Sub-Total	1,001	1,001	1,001
Total Resources	2,143	2,143	1,937

REVENUE BUDGET

4. Table 2, below, sets out the revenue budgets for 2013/14 as approved by the Joint Committee in June 2013. For further details of each of these activities, please refer to the PUSH Business Plan for 2013/14. There are no proposed changes to these budgets as at September 2013. The table also shows spend in the current financial year to the end of July.

Table 2 Revenue Allocations	2013/14 Budget Approved Jun-13	2013/14 Budget Revised Sept-13	2013/14 Spend to end Jul-13
Revenue Allocations	£000s	£000s	£000s
Economic Development	246	246	11
Sustainability & Community Infrastructure	100	100	9
Housing & Planning	160	160	23
Quality Places	30	30	1
External Funding & Resources	-	-	-
Core Projects & Central Costs	195	195	23
LEP Contribution	125	125	75
Contingency Reserve	50	50	-
Unallocated Balances	236	236	-
Total	1,142	1,142	142

5. The **Economic Development** delivery panel continues to focus on activities detailed in the 2013/14 PUSH Business Plan. Following the June 2013 Spending Review and subsequent complementary policy guidance, Government's commitment to provide LEPs with even greater powers, roles and budgetary responsibilities to deliver sustainable economic growth is explicit. This inevitably means that the role of this panel is less about delivering economic growth activities and more about complementary activities that enable, influence and facilitate the work of the Solent LEP to deliver agreed economic growth priorities for the Solent area. The Panel continues to support and utilise PUSH resources to deliver initiatives related to Employment and Skills, Inward Investment and Stimulating Enterprise. PUSH remains a key partner and is well represented on both the Solent Employment and Skills Board (ESB) and the Inward Investment Board working collaboratively with the Solent LEP on these matters.
6. The **Housing and Planning** delivery panel have to date focussed its efforts on delivering the Strategic Housing Market Assessment, the final report of which is due to be considered at this meeting for endorsement. Over the coming weeks, the PUSH planning officers Group aim to support this Panel in preparing the work plan for the spatial strategy roll forward. Work is also underway to appoint a delivery officer to help take forward the Delivery Plan for the Solent Disturbance Mitigation Project.
7. The planned activities under the responsibility of the **Sustainability and Community Infrastructure** delivery panel are progressing as planned. Under the brand 'Future Solent' an initial programme of work has been drawn up to take forward the low carbon economy agenda. In addition, a tender process is currently underway to commission the development of the Energy Strategy for the Solent area. The purpose of the strategy is to enhance energy security and generation in the Solent and provide assurances of energy security for businesses and homes into the future. It is expected that this work will conclude by December 2013. The Green Infrastructure Implementation Plan is also progressing as planned. PUSH has to date been supporting the lead authorities to

scope and produce a delivery plan for their respective scheme. Of the identified projects, nine are progressing well, some of which external sources of funding external are being explored to assist with delivery.

8. The **Quality Places** delivery panel is progressing well with the activities identified in the 2013/14 PUSH Business Plan and has to date secured the full funding package required to deliver the Portsmouth Harbour Historic Buildings Project. Securing a modest PUSH contribution of £7K as a starting point, the panel have successfully leveraged an additional £613K from individual PUSH local authorities and English Heritage. The total funding package of £620K will help to fund a three year post and deliver the project. The post is currently being advertised and partners are in the process of agreeing a Memorandum of Understanding for the scheme. Preparation for the Solent Design Awards for 2014 and the Creative Network South conference are also underway.
9. The **Central Costs** budget reflects commitments relating to staffing costs and other ongoing revenue activities led by the PUSH central team, which include the evidence based work necessary to support the emerging City Deal. Other key activities include communications and transport related research. In addition, the Joint Committee are asked to approve a contribution of £10,000 to the Solent Local Transport Body (LTB) which will be funded from the **Central Costs** budget.
10. The **LEP Contribution** of £125,000 in total supports the Solent LEP through to 2014/15, and was originally agreed by the Joint Committee in June 2012. The Solent LEP has now requested an initial contribution of £75,000 from this budget which has been paid by PUSH.
11. A much reduced **Contingency Reserve** of £50,000 for 2013/14 has been set primarily to fund potential termination costs should this arise, reflecting a much streamlined PUSH.
12. There are **Unallocated Balances** of £236K. As PUSH funding in future years will be much more limited than in the past, it is proposed that the Unallocated Balances will be used to support activities in 2014/15 unless projects come forward during 2013/14 with a compelling business case.

CAPITAL BUDGET

13. Table 3, below, sets out the capital budgets for 2013/14 as approved by the Joint Committee in June 2013. For further details of each of these projects, please refer to the PUSH Business Plan for 2013/14. There are no proposed changes to these budgets as at September 2013. The table also shows spend against the approved programme to the end of July.

Table 3 Capital Allocations	2013/14	2013/14	2013/14
	Budget Approved Jun-13	Budget Revised Sept-13	Spend to end Jul-13
	£000s	£000s	£000s
Capital Projects			
Eastleigh Creative Hub	60	60	-
Hayling Island Access Trails	60	60	-
Portsmouth Creative Industries	500	500	10
Progressive Studios - ASPACE	50	50	4
Creative Apprenticeship Programme - Artwork	16	16	-
Portsmouth CC ARTches	40	40	-
Cell Block Enterprise	49	49	
Gosport Town Centre	85	85	-
Southampton Northern Quarter	86	86	-
Programme Manager	54	54	18
Unallocated Balances	1	1	-
Total	1,001	1,001	32

ECONOMIC DEVELOPMENT

	2013/14	2013/14	2013/14
Table 3a Capital Allocations: Economic Development	Budget Approved Jun-13	Budget Revised Sept-13	Spend to end Jul-13
	£000s	£000s	£000s
Eastleigh Creative Hub	60	60	-
Total	60	60	-

14. The company appointed to carry out the building works for the **Eastleigh Creative Hub Project** have now produced a draft design and specification which is due to be agreed by the Project steering Group. Overall the project is on track to deliver the outcomes by January 2014. PUSH's capital investment will help fund the establishment of modern and attractive incubation workspaces for start up businesses to rent with the provision of facilities and equipment necessary to develop individual business ideas. On completion, this scheme will complement a number of business support work spaces across the PUSH area, one of which is the Sorting Office project, which was recently funded by PUSH in 2012/13.

SUSTAINABILITY AND COMMUNITY INFRASTRUCTURE

	2013/14	2013/14	2013/14
Table 3b Capital Allocations: Sustainability & Community Infrastructure	Budget Approved Jun-13	Budget Revised Sept-13	Spend to end Jul-13
	£000s	£000s	£000s
Hayling Island Access Trails	60	60	-
Total	60	60	-

15. The **Hayling Island Access Trails** project is being delivered under the auspices of the Sustainability and Community Infrastructure Panel. It is expected that the scheme will start in September and complete by March 2014. The scheme aims to improve access to an existing Green Infrastructure on Hayling Island and in doing so enhance the quality and public access to the Billy Trail and the Central Beachland along the south coast of Hayling Island.

QUALITY PLACES

	2013/14	2013/14	2013/14
<u>Table 3c Capital Allocations: Quality Places</u>	Budget Approved Jun-13	Budget Revised Sept-13	Spend to end Jul-13
	£000s	£000s	£000s
Portsmouth Creative Industries	500	500	10
Progressive Studios - ASPACE	50	50	4
Creative Apprenticeship Programme - Artwork	16	16	-
Portsmouth CC ARTches	40	40	-
Cell Block Enterprise	49	49	
Gosport Town Centre	85	85	-
Southampton Northern Quarter	86	86	-
Total	826	826	14

16. The **Portsmouth Creative Industries** project construction phase has now commenced and remains on track for completion by summer 2014. The overall scheme aims to provide a state of the art facility for a new Portsmouth creative campus which will also complement a new University Development on the Eldon site nearby. The PUSH funded element of the scheme is being led and managed by the New Theatre Royal and will deliver an innovative creation work space to support talent development and entrepreneurship in the performing arts sector.

17. The **Creative Apprenticeship Programme – Artwork** project is well underway and is due to conclude by March 2013. The scheme on completion will provide an equipped training hub which will support the implementation of virtual learning environments to support unemployed young people into work based learning programmes.

18. The **Progressive Studios – ASPACE** project is progressing as planned. Recently however, the lead organisation for this scheme, ASPACE, advised PUSH of its wish to broaden the scope of the project to deliver greater outputs and outcomes than those specified in its original funding application to PUSH. The Joint Committee are advised to note that the project aim, objectives and delivery timescale remain unchanged. PUSH will however; continue to monitor progress to ensure agreed outcomes are delivered on time and within the agreed budget.

19. The lead organisation for this project has recently advised PUSH of a significant change in scope of the **Portsmouth City Council ARTches** project. To meet this

broader ambition, the lead authority is currently awaiting a funding decision, following a stage 2 bid to Coastal Communities Fund. In the event that the funding decision is positive, this may mean that PUSH's investment will no longer be required. On this basis, the Joint Committee is asked to DELEGATE authority to the PUSH Chief Executives with a view to re allocating the total sum of £40,000 to an alternative project should this opportunity arise.

20. The **Gosport Town Centre project** has commenced and is on track to complete by March 2014. This public realm scheme will help to enhance the vitality and viability of Gosport Town Centre. Anticipated outputs include improvements to the design and streetscape of the town centre, enhancement of heritage assets and environmental improvements which will link to the rest of Gosport Waterfront.
21. The **Cell Block Enterprise** project led by the University of Portsmouth aims to facilitate enterprise skills development and provide mentoring support to start up businesses and access to early stage business funding. The project is due to commence in September and is on track to complete by March 2014.
22. The **Southampton Northern Quarter** project is due to commence in October and complete by March 2014 as planned. The creation of at least one full time local job and/or apprenticeship training opportunities are expected during the construction phase. This public realm scheme will inform the Phase one Development around Southampton Central Station. PUSH's investment will help fund the enhancement of the streetscape and green infrastructure improvements.
23. The **Programme & Information Manager** post is funded until the end of December 2013.
24. There remain **Unallocated Balances** of £1K.

CONCLUSION

This Committee is recommended to:-

25. NOTE the revised capital and revenue budgets for 2013/14 as set out in the report, and NOTE the spend for the year to date.
26. NOTE a £10K contribution for financial year 2013/14 from PUSH to the Solent Local Transport Body (LTB).
27. NOTE the project status of the ARTches project and NOTE the delegated authority to the PUSH Chief Executives in consultation with the PUSH Chairman with a view to re allocating the total sum of £40,000 to an alternative project should this opportunity arise.

Background Papers:

Joint Committee 6 June 2013 – Item 10: Capital and Revenue Budget Monitoring 2012/13 and Capital and Revenue Budgets 2013/14

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