



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

Date: **10 April 2018**

Report of: **Mel Creighton, Service Director – Finance & Commercialisation,  
Southampton City Council**

Subject: **Capital and Revenue Budget Monitoring 2017/18 and Proposed  
Interim Revenue Budget 2018/19**

## **SUMMARY**

This report provides an update for the Overview and Scrutiny Committee on progress to date against the approved revenue and capital programmes, including a forecast outturn for the current financial year. This report also sets out the proposed interim revenue budget for 2018/19.

## **RECOMMENDATIONS**

It is RECOMMENDED that the Overview and Scrutiny Committee:

1. NOTES the spend for the year to date against the revenue and capital budgets and the forecast outturn for 2017/18, as set out in the report at tables 2 & 3;
2. NOTES that the Joint Committee approved the carry forward of £94,000 to 2018/19 for the following forecast revenue budget underspends in 2017/18:
  - Planning & Infrastructure: £50,000
  - Energy & Green Economy: £44,000
3. NOTES that the forecast underspend to be carried forward from the 2017/18 budgets into 2018/19 is provisional, and may be subject to change when the final outturn position for 2017/18 is known; and
4. NOTES that the Joint Committee approved the interim revenue budget for 2018/19, as set out in the report at table 4.

## 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. The report includes the forecast position to the end of the current financial year, prior to the final outturn being reported to the Joint Committee at its meeting in June.
2. The report also sets out the proposed interim revenue budget allocations for the financial year 2018/19 based on carry forwards into 2018/19 and proposed projects, together with an allocation for central costs. This will form the basis for the final budget which the Joint Committee will be asked to approve at its meeting in June when the final outturn for 2017/18 is confirmed.
3. In June, the Joint Committee will also be asked to consider and approve additional proposals and associated funding requests put forward by the PUSH Delivery Themed Panels from 2018/19. The process for considering new proposals will be based on a set criteria ensuring that proposed projects fit with PUSH's business priorities and objectives, state of readiness and delivery of value for money outcomes.

## RESOURCES

4. Table 1 below sets out the estimated PUSH resources available for 2017/18, together with the funds that have been received as at the end of February 2018.

<b>Table 1: Total Resources Available</b>	2017/18	2017/18
	Budget Approved Jun 17	Actual received to end Feb 18
	£000s	£000s
<u>Revenue Funds</u>		
Core funding (local authorities)	-	-
Interest on balances	3	-
Underspend c/f from previous year	500	500
<b>Sub-Total</b>	<b>503</b>	<b>500</b>
<u>Capital Funds</u>		
Local Growth Fund to support SRM Projects	679	679
<b>Total Resources</b>	<b>1,182</b>	<b>1,179</b>

5. The totals for capital and revenue resources are the control totals for the respective budgets detailed below.

## REVENUE BUDGET

6. Table 2 below, sets out the revised revenue budget for 2017/18.

The table also shows spend in the current financial year to the end of February 2018, the forecast outturn for the year and any carry forward requests.

<b>Table 2 Revenue Allocations</b>	2017/18	2017/18	2017/18	2017/18	2018/19	2017/18
	Approved Budget	Spend to end Feb 18	Forecast Outturn	Forecast Under/ (Over) Spend	Carry Forward Request	Residual under/ spend
	£000s	£000s	£000s	£000s	£000s	£000
Planning & Infrastructure	68	12	12	56	50	6
Energy & Green Economy	44			44	44	-
Culture, Creative Industries and the Built Environment	43	38	38	5		5
European Collaboration Group	7	7	7	-		
Core Projects & Central Costs	75	54	75	-		
Unallocated Balances	266			266		266
<b>Total</b>	<b>503</b>	<b>110</b>	<b>132</b>	<b>371</b>	<b>94</b>	<b>277</b>

7. Updates on the work of the delivery panels are included in the Co-ordinator's report to each of the Joint Committee meetings.
8. A carry forward of £50,000 is proposed within Planning & Infrastructure to utilise underspends on the 2017/18 budget in 2018/19. The carry forward is split £30,000 to update and implement the PUSH Green Infrastructure Implementation Plan and £20,000 for delivery panel support.
9. A carry forward of £44,000 is proposed within Energy & Green Economy. The carry forward is split £30,000 for Innovative Energy Storage Projects outlined in Item 8 of the agenda for this meeting and £14,000 for the Low Carbon Economy work stream. Two recent funding applications have been made by Portsmouth University for European Regional Development Fund (ERDF) funding for projects that will further develop the network of low carbon companies in the area, support new innovation and growth and aid inward investment through the provision of grants. It is proposed to utilise £14,000 of the underspend on the Low Carbon Economy work stream to help support these projects in 2018/19.
10. The **Core Projects & Central Costs** budget reflects commitments relating to staffing costs and other ongoing revenue activities led by the PUSH central team which include activities being delivered in partnership with the Solent LEP related to Employment and Skills.
11. Built into the 2017/18 budget were **Unallocated Balances** of £266,000. In the December Budget monitoring report it was agreed that the Unallocated Balances would be used to support activities in 2018/19 unless projects came forward during 2017/18 with a compelling business case. Based on this proposal it was agreed that PUSH has another subscription holiday in 2018/19, with the possibility to request in-year contributions to support any work that PUSH will be required to do on housing in response to emerging Government requirements.

12. It is proposed to transfer the residual 2017/18 revenue underspend of £9,000 to the unallocated balances. This will increase the value of the unallocated balances to £277,000 at the end of 2017/18 available to be utilised in future years.

### CAPITAL BUDGET - LOCAL GROWTH DEAL

13. As part of the Solent LEP Local Growth Deal PUSH secured capital funding of £765,000 for projects to create and enhance publically accessible greenspaces through the Solent Recreation Mitigation Project (SRMP). The funding is split between two projects set out in table 3 below.
14. In 2016/17 there was £86,000 of expenditure leaving £679,000 to be spent in subsequent years.
15. During 2017/18 £13k of expenditure has been incurred to date on the Horsea Island project with a further £24,000 forecast by year-end. Any budget not spent by year end will be carried forward into 2018/19, currently estimated to be £642,000.

<b>Table 3 Capital Allocations:</b>	2017/18	2017/18	2017/18	2017/18
<b>Solent Recreation Mitigation project</b>	Approved Budget	Spend to end Feb 18	Forecast Outturn	Carry Forward
	£000s	£000s	£000s	£000s
Horsea Island, Portsmouth	304	13	37	267
Manor House Farm (or alternative projects)	375	0	0	375
<b>Total</b>	<b>679</b>	<b>13</b>	<b>37</b>	<b>642</b>

### 2018/19 INTERIM BUDGET

16. Proposals for an interim budget are set out below. A final budget for 2018/19 will be presented to the Committee in June. The proposed interim budget provides the funding for central team costs (salaries, office costs, etc.) until 31 March 2019, and for initial allocations to Delivery Panels. Detailed budget allocations for the rest of the year will be presented to the next Joint Committee meeting. This will take account of both existing and new projects/activities which Delivery Panels deem are priorities during 2018/19.
17. The interim revenue allocations shown in table 4 below includes £37,500 of new funding requests for projects in Culture, Creative Industries & Built Environment along with £7,000 for SELP membership and £75,000 for core activities. This proposed interim budget does not use the full forecast underspend, as there remain unallocated balances estimated at £157,000. Proposals to allocate further budgets to projects/initiatives will be included in the final budget presented to the Joint Committee at its meeting in June.

**Table 4 Interim revenue allocations 2018/19**

	<b>Carry Forwards from 17/18</b>	<b>Budget allocation 18/19</b>	<b>Total budget 18/19</b>
	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
Planning & Infrastructure	50		50
Energy & Green Economy	44		44
Culture, Creative Industries & the Built Environment		38	38
European Collaboration Group		7	7
Core Projects & Central Costs		75	75
Unallocated balances (based on forecast outturn)	277	-120	157
<b>Total</b>	<b>371</b>	<b>0</b>	<b>371</b>

## AUDIT OF 2017/18 ACCOUNTS

18. It is intended that arrangements will continue to be made for the audit of the accounts of the PUSH Joint Committee outside the provisions of the Local Audit and Accountability Act 2014. This is essential to ensure that an effective financial and governance framework is maintained for the joint committee and the funds that they control. A budget for this audit work has been included in the central cost revenue allocation in table 4 above.

## CONCLUSION

It is RECOMMENDED that the Overview and Scrutiny Committee:

1. NOTES the spend for the year to date against the revenue and capital budgets and the forecast outturn for 2017/18, as set out in the report at tables 2 & 3;
2. NOTES that the Joint Committee approved the carry forward of £94,000 to 2018/19 for the following forecast revenue budget underspends in 2017/18:
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3. NOTES that the forecast underspend to be carried forward from the 2017/18 budgets into 2018/19 is provisional, and may be subject to change when the final outturn position for 2017/18 is known; and
4. NOTES that the Joint Committee approved the interim revenue budget for 2018/19, as set out in the report at table 4.

**Background Papers:** Joint Committee 5 December 2017 – Item 7: Capital and Revenue Budget Monitoring 2017/18.

### Enquiries:

For further information on this report please contact:

Mel Creighton, Service Director –  
Finance & Commercialisation  
T: 023 8083 4897  
E: [mel.creighton@southampton.gov.uk](mailto:mel.creighton@southampton.gov.uk)

Jo Knight, Service Lead - Finance  
Business Partnering  
T: 023 8083 3159  
E: [jo.knight@southampton.gov.uk](mailto:jo.knight@southampton.gov.uk)