



Report to the Partnership for Urban South Hampshire Joint Committee

Date: **07 December 2016**

Report of: **Mel Creighton, Chief Financial Officer and Paddy May, PUSH Interim Co-ordinator**

Subject: **Capital and Revenue Budget Monitoring 2016/17**

SUMMARY

This report provides an update for the Joint Committee on progress to date against the revenue and capital programmes for the current financial year. It also notes the conclusion of the audit on the 2015/16 Statement of Accounts.

RECOMMENDATIONS

It is RECOMMENDED that the Joint Committee:-

1. NOTES spend for the year to date against the capital and revenue budgets for 2016/17, as set out in this report; and
2. NOTES the conclusion of the audit on the 2015/16 Statement of Accounts.

INTRODUCTION

1. This report provides an update for the Joint Committee on progress to date against the approved revenue and capital programmes for the current financial year. It also notes the conclusion of the audit on the 2015/16 Statement of Accounts.

RESOURCES

2. Table 1 below shows the estimated PUSH resources available for 2016/17, which include the actual income received for this financial year and under spends from 2015/16. The totals for capital and revenue resources are the control totals for the respective budgets.

Table 1: Total Resources Available	2016/17 Original Budget June 16 £000s	2016/17 Revised Budget Dec 16 £000s	2016/17 Actual received to end Oct 16 £000s
<u>Revenue Funds</u>			
Core funding (local authorities)	196	196	196
Interest on balances	3	3	0
Underspend c/f from previous year	517	517	517
Reduced resources c/f from previous year	(7)	(7)	(7)
Sub-Total	709	709	706
<u>Capital Funds</u>			
Underspend c/f from previous year	0	0	0
Local Growth Fund to support SRM Projects	765	765	765
Sub-Total	765	765	765
Total Resources	1,474	1,474	1,471

REVENUE BUDGET

3. Table 2 below, sets out the revenue budgets for 2016/17, as approved by the Joint Committee in June 2016. There is one subsequent change to these budgets, included in the revised budget, as follows:
 - (i) An additional £2,500 to support the Culture, Creative Industries and the Built Environment Panel's work programme (from unallocated balances).

The table also shows spend in the current financial year to the end of October.

Table 2 Revenue Allocations	2016/17 Original Budget June 16	2016/17 Revised Budget Dec 16	2016/17 Spend to end Oct 2016
	£000s	£000s	£000s
Planning & Infrastructure	150	150	49
Energy & Green Economy	52	52	13
Culture, Creative Industries and the Built Environment	30	33	5
European Collaboration Group	7	7	7
Core Projects & Central Costs	237	237	41
Contingency Reserve	25	25	0
Unallocated Balances	208	205	0
Total	709	709	115

4. Updates on the work of the delivery panels are included within the Co-ordinators report to each of the Joint Committee meetings.
5. 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 and inward Investment. In March 2015, the Joint Committee approved an additional £25,000 to the Solent LEP, following a request made by the LEP that the additional PUSH contribution would enable the Solent LEP to secure the full match funding from Government of £250,000. The Joint Committee approved this payment subject to a similar sum being paid to PUSH to help support the area's Spatial Strategy review work. The Solent LEP was to confirm that they are happy with the Joint Committee's proposal in writing before PUSH funding is released.
6. A much reduced **Contingency Reserve** of £25,000 for 2016/17 was set primarily to fund potential termination costs should such circumstances arise.
7. There were **Unallocated Balances** of £208,000, which have been reduced to £205,000 following the change set out in paragraph 3. It is proposed that the Unallocated Balances will be used to support activities in 2017/18, unless projects come forward during 2016/17 with a compelling business case. As this level of resource will be sufficient to meet the reduced level of core costs anticipated for 2017/18 and also allow some limited support for new projects/initiatives in line with the streamlined purpose for PUSH, a subscription holiday was agreed for 2017/18 by Joint Committee in October 2016.

CAPITAL BUDGET

8. The schemes within the original PUSH capital programme were all completed by the end of the financial year 2015/16. A small under spend of £6,000 was carried forward as an addition to the revenue fund for 2016/17.

LOCAL GROWTH DEAL

9. PUSH has secured funding of £765,000 in 2016/17, as part of the Solent LEP Local Growth Deal, for projects to create and enhance publically accessible

greenspaces, as part of the Solent Recreation Mitigation Project (SRMP). The detailed allocations to projects are set out in table 3 below. Work has commenced on the Horsea Island scheme and the first claim is anticipated in quarter 3. However, discussions continue with the Solent LEP in relation to the allocation of the remaining funding.

Table 3 Capital Allocations:	2016/17	2016/17	2016/17
Solent Recreation Mitigation project	Original Budget June 16	Revised Budget Dec 16	Spend to end Oct 2016
	£000s	£000s	£000s
Horsea Island, Portsmouth	390	390	0
Manor House Farm (or alternative projects)	375	375	0
Total	765	765	0

10. The funding detailed above is in addition to the £590,000 that was received in 2015/16 to fund the Manor Farm (£385,000) and Alver Valley (£205,000) Country Park schemes, which have now been completed.

2015/16 STATEMENT OF ACCOUNTS

11. The Statement of Accounts for the 2015/16 financial year was approved by Joint Committee in June 2016. The June meeting also received a verbal update that an internal audit report issued substantial assurance in the effectiveness of the framework of risk management, control and governance and identified no issues requiring management action.

12. The external auditors have now provided an External Report 2015/16 Certificate applicable to the agreed-upon-procedures. This sets out the work that was undertaken on the Joint Committee's return for the financial year ended 31 March 2016 and concludes that 'no exceptions were found'. The certified return and the Notice of Conclusion of Audit have been published on the PUSH website.

CONCLUSION

It is RECOMMENDED that the Joint Committee:-

1. NOTES spend for the year to date against the capital and revenue budgets for 2016/17, as set out in this report; and
2. NOTES the conclusion of the audit on the 2015/16 Statement of Accounts.

Appendices: None.

Background Papers:

Joint Committee 7 June 2016 – Item 11: Capital and Revenue Budget Monitoring 2015/16 and Capital and Revenue Budgets 2016/17.

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