



Report to the Partnership for Urban South Hampshire Joint Committee

Date: **05 June 2018**

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

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

SUMMARY

This report summarises the outturn against the budget for the financial year 2017/18. This report also updates the proposed capital and revenue budgets for 2018/19, on the basis of the anticipated level of resources available and the priorities for PUSH.

RECOMMENDATIONS

It is RECOMMENDED that the Joint Committee:

1. NOTES the outturn for the financial year 2017/18, as set out in table 2;
2. APPROVES the Statement of Accounts for the 2017/18 financial year and the Annual Governance Statement, as set out in Appendix 1; and
3. APPROVES the proposed capital and revenue budgets for 2018/19 as set out in the report in tables 3 & 4.

INTRODUCTION

1. This report sets out the final outturn expenditure position against the capital and revenue budgets for 2017/18, and the proposed capital and revenue budgets for the financial year 2018/19.

RESOURCES

2. Table 1 below shows the estimated PUSH resources available for 2017/18, the actual income received and the expected resources available for 2018/19.
3. The expected resources for the financial year 2018/19 are the under spends carried forward from 2017/18, and the expected interest on balances held by SCC on behalf of PUSH.
4. The totals for capital and revenue resources are the control totals for the budgets detailed below.

Table 1: Total Resources Available	2017/18 Approved Budget £000s	2017/18 Actual received to end Mar 18 £000s	2018/19 Proposed Budget £000s
<u>Revenue Funds</u>			
Core funding (local authorities)	-	-	-
Interest on balances	3	3	3
Underspend c/f from previous year	500	500	374
Sub-Total	503	503	377
<u>Capital Funds</u>			
Local Growth Fund to support SRM Projects	679	679	615
Total Resources	1,182	1,182	992

5. There are no proposed partner contributions for 2018/19 as a subscription holiday was agreed by Joint Committee in October 2017. The capital funding is from the Solent LEP Local Growth Fund to support Solent Recreation Mitigation projects.

FINAL OUTTURN 2017/18 - REVENUE

6. Table 2 below sets out the revenue budget for 2017/18, originally approved by the Joint Committee in June 2017 and revised at subsequent meetings, and the actual outturn.

Table 2: Revenue Allocations 2017/18	2017/18 Approved Budget	2017/18 Spend to end Mar 18	2017/18 Under/ (Over) Spend
	£000s	£000s	£000s
Planning & Infrastructure	68	18	50
Energy & Green Economy	44	0	44
Culture, Creative Industries & the Built Environment	43	38	5
European Collaboration Group	7	7	0
Core Projects & Central Costs	75	67	8
Unallocated Balances	266	0	266
Total	503	129	374

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. 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.

Unallocated Balances - There were no additional allocations to delivery panels during the year from unallocated balances. The balance will be used to fund the 2018/19 proposed revenue budget.

FINAL OUTTURN 2017/18 AND PROPOSED BUDGET 2018/19 - CAPITAL

9. During 2016/17 PUSH secured funding of £765,000, 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 allocations to projects are set out in table 3 below.

Table 3: Capital Allocations	2017/18 Approved Budget	2017/18 Spend to end Mar 18	2018/19 Proposed Budget
Solent Recreation Mitigation Project	£000s	£000s	£000s
Horsea Island, Portsmouth	304	35	269
Shoreburs Greenway, Southampton	150	29	121
Itchen Valley County Park, Eastleigh	225		225
Total	679	64	615

10. Two claims were received for the Horsea Island scheme in 2017/18 totalling £41,000. The Shoreburs Greenway project also made a claim of funding of £35,000. The expenditure in on both these projects in 2017/18 represents

payment of these claims, less a 15% retention pending a satisfactory project evaluation report. No claims were received from the Itchen Valley Country Park scheme and the scheme will not be progressing further. There is a proposal to replace this project with a Brent Goose Refuge on Hayling Island, managed by Havant Borough Council.

2017/18 STATEMENT OF ACCOUNTS

11. The Statement of Accounts for the 2017/18 financial year and the Annual Governance Statement are presented for approval in Appendix 1. These statements have been reviewed by internal audit and, based on the testing conducted, assurance has been given that adequate financial systems and controls are in place for the administration of the PUSH accounts.

PROPOSED BUDGET 2018/19 - REVENUE

12. The revenue allocations in table 4 are proposed for 2018/19. The allocations for the three delivery panels include carry forward requests, along with the new funding requests in the interim budget as approved in March 2018.
13. A carry forward of £50,000 was approved 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.
14. A carry forward of £44,000 was approved within Energy & Green Economy. The carry forward is split £30,000 for Innovative Energy Storage Projects 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.
15. 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 of £160,000.

Table 4: Revenue Allocations 2018/19	2018/19 Proposed Budget
	£000s
Planning & Infrastructure	50
Energy & Green Economy	44
Culture, Creative Industries & the Built Environment	38
European Collaboration Group	7
Core Projects & Central Costs	75
Unallocated Balances	160
Total	374

16. As PUSH funding will continue to be more limited than in the past, it is proposed that the remaining Unallocated Balances will be used to support activities in 2019/20 unless projects come forward during 2018/19 with a compelling business case.

CONCLUSION

It is RECOMMENDED that the Joint Committee:

1. NOTES the outturn for the financial year 2017/18, as set out in table 2;
2. APPROVES the Statement of Accounts for the 2017/18 financial year and the Annual Governance Statement, as set out in Appendix 1; and
3. APPROVES the proposed capital and revenue budgets for 2018/19 as set out in the report in tables 3 & 4.

Background Papers:

Appendix 1 - Statement of Accounts for the 2017/18 financial year and the Annual Governance Statement

Enquiries:

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