



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

Date: 11 July 2017

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

Subject: **Capital and Revenue Budget Monitoring 2016/17 and Proposed Interim Revenue Budget 2017/18**

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 2017/18.

RECOMMENDATIONS

The Overview and Scrutiny Committee is recommended to:-

- 1) **NOTE** the spend for the year to date against the revised revenue and capital budgets and the forecast outturn for 2016/17, as set out in the report (Tables 2 & 3);
- 2) **NOTE** a carry forward of £34,000 to 2017/18 for the following forecast revenue budget under spend in 2016/17 for; Energy & Green Economy: £29,000 and Culture, Creative Industries & the Built Environment: £5,000;
- 3) **NOTE** that the forecast under spend to be carried forward from the 2016/17 budgets into 2017/18 is provisional, and may be subject to change when the final outturn position for 2016/17 is known; and
- 4) **NOTE** the proposed interim revenue budget for 2017/18, as set out in the report (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 2017/18 based on under spends / carry forwards of projects that are contractually committed to conclude next financial year, 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 2016/17 is confirmed.
3. In June, the Joint Committee will be asked to consider and approve additional proposals and associated funding requests put forward by the PUSH Delivery Themed Panels from 2017/18. 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 2016/17, together with the funds that have been received as at the end of January 2017.

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

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 2016/17. There is one change to that reported to the Joint Committee in December 2016, as follows:
- (i) £3,000 to fund a contribution to Greentech South to support the manager role (from unallocated balances).

The table also shows spend in the current financial year to the end of January 2016, the forecast outturn for the year and any carry forward requests.

Table 2 Revenue Allocations	2016/17 Revised Budget	2016/17 Spend to end Jan 17	2016/17 Forecast Outturn	2016/17 Forecast Under/ (Over) Spend	2017/18 Carry Forward Request
	£000s	£000s	£000s	£000s	£000s
Planning & Infrastructure	150	61	90	60	0
Energy & Green Economy	55	13	26	29	29
Culture, Creative Industries and the Built Environment	33	23	28	5	5
European Collaboration Group	7	7	7	0	0
Core Projects & Central Costs	237	64	88	149	0
Contingency Reserve	25	0	0	25	0
Unallocated Balances	202	0	0	202	0
Total	709	168	239	470	34

7. Updates on the work of the delivery panels are included in the Co-ordinator's report to each of the Joint Committee meetings. A carry forward of £29,000 is proposed to support the Energy Strategy Implementation (in line with the previous decision of the Joint Committee to approve the 2 year implementation plan). A carry forward of £5,000, to support the Solent Design Awards, is also proposed for the Culture, Creative Industries and the Built Environment Delivery Panel.
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. A separate report on this agenda recommends that a budget of £100,000 for inward investment is returned to balances.
9. A much reduced **Contingency Reserve** of £25,000 for 2016/17 was set primarily to fund potential termination costs should such circumstances arise. It is proposed to return this budget to balances as there are currently no permanent PUSH employees.
10. There were **Unallocated Balances** of £208,000, which have been reduced to £202,000 following changes made during the year. It was agreed that the Unallocated Balances would be used to support activities in 2017/18, unless projects came 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

11. 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

12. PUSH has 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 detailed allocations to projects are set out in table 3 below. The original profile anticipated spend of £415,000 in 2016/17, with the remaining £350,000 to be spent in subsequent years. Work has commenced on the Horsea Island scheme and the first claim is anticipated in quarter 4. However, discussions continue with the Solent LEP in relation to the allocation of the remaining funding. Any budget not spent by year end will be carried forward into 2017/18.

Table 3 Capital Allocations:	2016/17	2016/17	2016/17	2016/17
Solent Recreation Mitigation project	Approved Budget	Spend to end Jan 17	Original Spend Profile	Forecast Outturn
	£000s	£000s	£000s	£000s
Horsea Island, Portsmouth	390	0	140	140
Manor House Farm (or alternative projects)	375	0	275	0
Total	765	0	415	140

2016/17 INTERIM BUDGET

13. Pending the decisions of the June Joint Committee on the activity to support the future work priorities which support the revised delivery structure of PUSH, but to enable the Partnership business to continue in the meantime, proposals for an interim budget are set out for approval. The proposed interim budget provides the funding for central team costs (salaries, office costs, etc.) until 31 March 2018, 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 2017/18.
14. The interim revenue allocations shown in table 4 below take into account schemes that are currently underway and contractually committed to conclude in 2017/18. This proposed interim budget does not use the full forecast underspend, as there remain unallocated balances estimated at £276,000. 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 2017/18	£000s
Planning & Infrastructure	30
Energy & Green Economy	30
Culture, Creative Industries & the Built Environment	23
European Collaboration Group	7
Core Projects & Central Costs	75
Unallocated balances (based on forecast outturn)	276
Total	441

AUDIT OF 2016/17 ACCOUNTS

15. 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

The Overview and Scrutiny Committee is recommended to:-

- 1) NOTE the spend for the year to date against the revised revenue and capital budgets and the forecast outturn for 2016/17, as set out in the report (Tables 2 & 3);
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- 4) NOTE the proposed interim revenue budget for 2017/18, as set out in the report (Table 4).

Background Papers:

Joint Committee 7 December 2016 – Item 8: Capital and Revenue Budget Monitoring 2016/17.

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