



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

Date: **26 June 2019**

Report of: **John Harrison, Service Director – Finance & Commercialisation**

Subject: **CAPITAL AND REVENUE BUDGET MONITORING 2018/19 AND
CAPITAL AND REVENUE BUDGETS 2019/20**

SUMMARY

This report summarises the outturn against the budget for the financial year 2018/19. This report also updates the proposed capital and revenue budgets for 2019/20, on the basis of the anticipated level of resources available and the priorities for PUSH.

RECOMMENDATIONS

It is RECOMMENDED that the Overview and Scrutiny Committee NOTES:

- a) the outturn for the financial year 2018/19 as outlined at table 2;
- b) that the Joint Committee approved the Statement of Accounts for the 2018/19 financial year and the Annual Governance Statement (Appendix 1); and
- c) the proposed capital and revenue budgets for 2019/20 as set out in the report at tables 4 & 5 was approved by the Joint Committee.

INTRODUCTION

1. This report sets out the final outturn expenditure position against the capital and revenue budgets for 2018/19, and the proposed capital and revenue budgets for the financial year 2019/20.

RESOURCES

2. Table 1 below shows the estimated PUSH resources available for 2018/19, the actual income received and the expected resources available for 2019/20.
3. The expected resources for the financial year 2019/20 are the partnership balances carried forward from 2018/19, 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	2018/19 Approved Budget £000	2018/19 Actual received to end Mar 19 £000	2019/20 Proposed Budget £000
<u>Revenue Funds</u>			
Core funding (local authorities)	-	-	65
Other contributions		10	
Interest on balances	3	3	3
Underspend c/f from previous year	374	374	263
Sub-Total	377	387	331
<u>Capital Funds</u>			
Local Growth Fund to support SRM Projects	615	615	571
Total Resources	992	1,002	902

5. There are proposed partner contributions for 2019/20 of £64,500 following approval by the Joint Committee in February 2019 to reintroduce subscriptions. The capital funding is from the Solent LEP Local Growth Fund to support Solent Recreation Mitigation projects.

FINAL OUTTURN 2018/19 - REVENUE

6. Table 2 below sets out the revenue budget for 2018/19, originally approved by the Joint Committee in June 2018 and the actual outturn.

Table 2: Revenue Allocations 2018/19	2018/19 Approved Budget £000	2018/19 Spend to end Mar 19 £000	2018/19 Under/ (Over) Spend £000
Planning & Infrastructure	50	20	30
Energy & Green Economy	44	0	44
Culture, Creative Industries & the Built Environment	38	27	11
European Collaboration Group	7	7	0
Core Projects & Central Costs	75	70	5
Total Core and Panel Budgets	214	124	90
Unallocated Balances	160	-13	173
Total	374	111	263

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.

Unallocated Balances - There were no additional allocations to delivery panels during the year from unallocated balances. The balance will be used to part fund the proposed 2019/20 revenue budget and potential future work of the partnership as and when opportunities arise.

Table 3: Unallocated balances	
	£000
Balance brought forward	160
Income received 2018/19	13
Balance carried forward	173

FINAL OUTTURN 2018/19 AND PROPOSED BUDGET 2019/20 - CAPITAL

9. PUSH previously secured funding under 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 4 below.

Table 4: Capital Allocations Solent Recreation Mitigation Project	2018/19	2018/19	2019/20
	Approved Budget	Spend to end Mar 19	Proposed Budget
	£000	£000	£000
Horsea Island, Portsmouth	269		269
Shoreburs Greenway, Southampton	121	44	77
Itchen Valley County Park, Eastleigh	225		
Hayling Island, Havant			225
Total	679	44	571

10. In July 2018 the Solent LEP approved a change of project funding. The Itchen Valley Country Park scheme has been replaced by a project to create a Brent Goose Refuge on Hayling Island, managed by Havant Borough Council.
11. During the year the Shoreburs Greenway project made a claim of funding of £52,000. The expenditure on this project in 2018/19 represents payment of this claim, less a 15% retention pending a satisfactory post completion project evaluation report. No claims were received from the Horsea Island project.

2018/19 STATEMENT OF ACCOUNTS

12. The Statement of Accounts for the 2018/19 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 2019/20 - REVENUE

13. The revenue allocations in table 4 are proposed for 2019/20. The allocations for the three delivery panels include carry forward requests, along with the new funding requests in the interim budget as approved in February 2019.
14. A carry forward of up to £50,000 was approved within Planning & Infrastructure to utilise underspends on the 2018/19 budget in 2019/20. A carry forward of £30,000 has been taken forward to help fund the immediate works required on the National Planning Policy Framework and the duty to cooperate. A budget allocation of £20,000 has been proposed to support the work of the panel outside of the NPPF in 2019/20.
15. 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 funding applications have been made by Portsmouth University for European Regional Development Fund (ERDF) 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.
16. A carry forward is requested for the underspend in 2018/19 on the Culture, Creative Industries & the Built Environment Panel of £11,000. This will be utilised on the work proposed by the panel in 2019/20 which includes £30,000 being used as matched funding for a bid to the Arts Council to enable the Creative Industries Support to cover a wider area than just Southampton; £10,000 as funding for Creative Networks South; £4,000 for Panel support and the Solent Design Awards taking place in 2019/20.
17. A budget allocation of £7,000 is included for the replacement of the European Collaboration Group. This will ensure the partnership is well placed to take advantage of the new UK Shared Prosperity Fund. £75,000 has been earmarked for core activities in line with previous years.

Table 5: Revenue Allocations 2019/20	Carry Forwards from 2018/19 £000	2019/20 Budget Allocation £000	2019/20 Proposed Budget £000
Planning & Infrastructure	30	20	50
Energy & Green Economy	44		44
Culture, Creative Industries & the Built Environment	11	33	44
Replacement of European Collaboration Group		7	7
Core Projects & Central Costs		75	75
Total Core and Panel Budgets	85	135	220

18. As PUSH funding will continue to be more limited than in the past, it is proposed that an **Unallocated Balance** of around £110,000 will be maintained to enable the partnership to have resources available to react to potential future opportunities as they arise.

Table 6: Unallocated balances	
	£000
Balance brought forward	173
Underspend 2018/19	90
To fund carry forwards in 2019/20	(85)
2019/20 Budget allocation	(135)
Contribution income 2019/20	65
Interest income 2019/20	3
Forecast balance 2019/20	110

CONCLUSION

It is RECOMMENDED that the Overview and Scrutiny Committee NOTES:

- a) the outturn for the financial year 2018/19 as outlined at table 2;
- b) that the Joint Committee approved the Statement of Accounts for the 2018/19 financial year and the Annual Governance Statement (Appendix 1); and
- c) the proposed capital and revenue budgets for 2019/20 as set out in the report at tables 4 & 5 was approved by the Joint Committee.

Appendices: Appendix 1 - Statement of Accounts for the 2018/19 financial year and the Annual Governance Statement

Background Papers: None

Enquiries:

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