



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

Date: **04 February 2020**

Report of: **John Harrison, Executive Director – Finance & Commercialisation, Southampton City Council**

Subject: **PFSH BUDGET MONITORING REPORT**

## SUMMARY

The report will provide an update for the Joint Committee on progress to date against the approved revenue and capital programmes, including a forecast outturn for the current financial year. It will also set out the proposed interim revenue budget for 2020/21.

## RECOMMENDATION

It is RECOMMENDED that the Overview & Scrutiny Committee NOTES the contents of the report and consider any comments to be passed to the Joint Committee for consideration.

## INTRODUCTION

1. The report provides an update for the Joint Committee on progress to date against the approved revenue and capital programmes for the current financial year.
2. The report also sets out the proposed interim revenue budget allocations for the financial year 2020/21 to cover central costs. This is in line with the budget arrangements approved by the Joint Committee in June 2019 as part of the partnership's Business Plan. The interim budget will form the basis for the final budget which the Joint Committee will be asked to approve at its meeting in June 2020 when the final outturn for 2019/20 is confirmed.

### Resources

3. Table 1 below sets out the estimated PfSH resources available for 2019/20, together with the funds that have been received as at the end of December 2019.

<b>Table 1: Total Resources Available</b>	2019/20	2019/20
	Budget Approved Jun 19	Actual received to end Dec 19
	£000s	£000s
<u>Revenue Funds</u>		
Core funding (local authorities)	65	-
Other contributions	-	27
Interest on balances	3	-
Underspend c/f from previous year	263	263
<b>Sub-Total</b>	<b>331</b>	<b>290</b>
<u>Capital Funds</u>		
Local Growth Fund to support SRM Projects	571	571
<b>Total Resources</b>	<b>902</b>	<b>861</b>

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

## REVENUE BUDGET

5. Table 2 below, sets out the revised revenue budget for 2019/20. The table also shows spend in the current financial year to the end of December 2019, the forecast outturn for the year and an early indication any carry forward requests.

<b>Table 2 Revenue</b>	2019/20	2019/20	2019/20	2019/20
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## Allocations

	Approved Budget	Spend to end Dec 19	Forecast Outturn	Estimated Carry Forward Request
	£000s	£000s	£000s	£000s
Planning & Infrastructure	50	21	50	
Energy & Green Economy	44		0	44
Culture, Creative Industries and the Built Environment	44	11	44	
Replacement of European Collaboration Group	7	0	7	
Core Projects & Central Costs	75	51	75	
<b>Total</b>	<b>220</b>	<b>83</b>	<b>176</b>	<b>44</b>
Unallocated balance	111		111	
<b>Total revenue resources</b>	<b>331</b>	<b>83</b>	<b>287</b>	<b>44</b>

6. Updates on the work of the delivery panels are included in the Co-ordinator's report to each of the Joint Committee meetings.
7. The **Planning & Infrastructure Delivery Panel** budget of £50,000 is to fund the immediate works required on the National Planning Policy Framework and the duty to co-operate, along with Green Infrastructure projects and any issues arising in year such as the nitrates issue on developments in the Solent area. Any forecast expenditure that is not incurred by the end of the year will be included as a budget carry forward request in the budget report to the June 2020 Joint Committee meeting.
8. The **Energy and Green Economy Delivery Panel** budget had been designated to support energy schemes in Portsmouth and Southampton if they met the criteria in the Solent LEP Energy Strategy. As reported in the Co-ordinator's Report this Strategy has taken longer than anticipated and as a result these schemes are already underway and intervention from PfSH is no longer a priority. Alternative work streams have been identified in the report that could potentially benefit from Panel funding. It is likely that a carry forward request for the Panel budget will be included in the budget report to the June 2020 Joint Committee meeting.
9. The **Culture, Creative Industries and the Built Environment Delivery Panel** budget 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.
10. The **Replacement of the European Collaboration Group** is funding to ensure the partnership is well placed to take advantage of the new UK Shared Prosperity Fund.
11. The **Core Projects & Central Costs** budget reflects commitments relating to staffing costs and other ongoing revenue activities led by the PfSH central

team.

12. **Unallocated Balances** are forecast to be £111,000. It was previously agreed by the Joint Committee that an unallocated budget of around £110,000 would be maintained to enable the partnership to have resources available to react to potential future opportunities as they arise.

**Table 3: Unallocated balances**

	<b>£000</b>
Balance brought forward	263
To fund 2019/20 budget	(220)
Estimated Carry Forward Request	44
Contribution income 2019/20	65
Interest income 2019/20	3
<b>Forecast balance 2019/20</b>	<b>155</b>
Carried forward budget 2020/21	(44)
<b>Unallocated balances</b>	<b>111</b>

## CAPITAL BUDGET - LOCAL GROWTH DEAL

13. PfSH secured funding from the Solent LEP Local Growth Deal for projects to create and enhance publically accessible greenspaces as part of the Solent Recreation Mitigation Project (SRMP). A remaining balance of funding of £571,000 was carried forward into 2019/20 and the specific project allocations are set out in table 4 below

14. During 2019/20 one claim has been received for expenditure incurred on the Hayling Island Brent Goose projects during the year. The Shoreburs Greenway projects is due to be completed by March 2020. The acquisition of land associated with the Hayling Island project is now expected to take place in 2020/21. For projects that are not completed by the end of the year, any remaining funding will be carried forward into 2020/21.

**Table 4 Capital Allocations:**

	2019/20	2019/20	2019/20
<b>Solent Recreation Mitigation project</b>	Approved Budget June 19	In year grant claims to end of Dec 2019	Grant Balance Remaining
	£000s	£000s	£000s
Horsea Island, Portsmouth	269		269
Shoreburs Greenway, Southampton	77		77
Hayling Island Brent Goose Refuge, Havant	225	5	220
<b>Total</b>	<b>571</b>	<b>5</b>	<b>566</b>

## 2020/21 INTERIM BUDGET

15. Proposals for an interim budget are set out below for approval. A final budget for 2020/21 will be presented to the Committee in June 2020. The proposed interim budget is based on the Funding and Subscription arrangements approved by the Joint Committee in June 2019 as part of the PfSH Business Plan. Under the budget arrangement in the plan all existing PfSH members are

to contribute to maintain core central costs covering meetings, the programme office, along with legal and financial advice. Project work is then funded by those local authorities participating within any work undertaken.

16. Based on this the interim budget for 2020/21 is proposed to be £75,000 funded by subscriptions. The proposed subscription rates for 2020/21 are based on the indicative 2020/21 contributions approved as part of the Business Plan but updated to reflect the fact that the Isle of Wight Council is no longer a member of the partnership and that the New Forest National Park Authority has joined as a member.

17. In addition to this a request for funding has been received from the Culture, Creative Industries and the Built Environment Delivery Panel of £12,500 to fund the work of the Panel in 2020/21. This is being considered at the February Joint Committee meeting under a separate item to this budget report and the interim budget will subsequently be updated to reflect the Joint Committee's decision.

<b>Table 5 Interim revenue allocations 2020/21</b>	<b>Budget allocation 20/21</b>
Core Projects & Central Costs	75,000
<b>Total</b>	<b>75,000</b>
<b>Funded by:</b>	
Partner contributions:	
Southampton City Council	10,350
Portsmouth City Council	15,500
Hampshire County Council	22,400
Eastleigh Borough Council	5,200
Fareham Borough Council	5,200
Gosport Borough Council	3,450
Havant Borough Council	5,200
Test Valley Borough Council	1,700
Winchester City Council	900
East Hampshire District Council	900
New Forest District Council	3,450
New Forest National Park Authority	750
<b>Total</b>	<b>75,000</b>

## **JOINT COMMITTEE RECOMMENDTION**

Overview and Scrutiny Members are asked to note that the recommendations being made to the Joint Committee will be to:

- a) NOTE the spend for the year to date against the revenue and capital budgets and the forecast outturn for 2019/20, as set out in the report;
- b) NOTE that the forecast outturn from the 2019/20 budgets is provisional and may be subject to change in the final outturn budget report; and
- c) APPROVE the proposed interim revenue budget for 2020/21, as set out in the report.

**Enquiries:**

For further information on this report please contact:

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