



CABINET 8 JULY 2002

PORTFOLIO: ALL

FINANCIAL STRATEGY 2003/2006

1. INTRODUCTION

- 1.1 The purpose of this report is to review the rolling financial strategy last considered in November 2001 and to ensure that a financial framework is established for the next four years. This will be updated annually to ensure that it takes account of the latest financial circumstances of the Council.
- 1.2 It is important that the Council adopts a strategic approach to the allocation of resources both revenue and capital. This need has recently been further strengthened by the introduction of the forthcoming comprehensive performance assessment.
- 1.3 This report deals only with the General Fund; the Housing Revenue Account will be the subject of a separate business plan and detailed budget, which will be considered at a later date.

2. CONTEXT

2.1 2001/2002 Financial Year

- 2.1.1 In spite of approving a number of supplementary estimates during the course of the last financial year the provisional outturn demonstrates that there is likely to be an under spend of around £400,000 on the General Fund revenue budget when compared to the original estimate. The outturn figures have not yet been finalised and will be subject to Audit and therefore at this stage this is very much a provisional figure.
- 2.1.2 The fact that there is a significant under spend is in part due to factors outside of the control of the Council. However Members will recall that in December of last year a conscious decision was taken to ensure that no expenditure was incurred unless it was essential to the running of the organisation. This has led to expenditure being deferred and some minor developments being delayed. Whilst it is not possible to evaluate how much of this has contributed to the position outlined above the impact of this approach should not be underestimated.
- 2.1.3 Elsewhere on this Agenda is a report that identifies the need for additional funding in the sum of £235,000 in order to continue with the Dibden Bay Inquiry. Although much of the additional resources required will fall in to the current financial year it is prudent to make provision for this expenditure within the under spend from the 2001/02 financial year.

2.1.4 Having taken account of this provision the General Fund revenue expenditure will still show an under spend in the sum of approximately £165,000 for the year.

2.2 Prudent Level of Balances

2.2.1 Members will recall that a rationalisation of the Council's reserves was undertaken during the last financial year. This review integrated many of the Council's revenue reserves in to the General Fund Balance and established a Capital Reserve for those resources that had been earmarked for the funding of the capital programme. This resulted in a robust General Fund Balance in excess of the minimum as set out in the agreed financial strategy (i.e. 10% of net revenue expenditure).

2.2.2 Part of that sum transferred was from the Housing DSO reserve. It was always understood that the District Auditor may challenge this decision as more recent advice from the Department of Transport Local Government and Regions (D.T.L.R) has altered. The D.T.L.R now advises that any surpluses generated from trading activities should be passed back to the service from whence that surplus was derived. The advice is however a little contradictory and unclear as it still requires Secretary of State approval for such sums to be used for Housing Revenue Account purposes. The Council has in the last two weeks been notified that the District Auditor does in fact intend to challenge the Council over this issue if it continues to use the Reserve in this manner.

3. MEDIUM TERM FINANCIAL PLANNING

3.1 The Council agreed a Financial Strategy in November of last year. This followed the setting of a financial framework for the expenditure planning and budget setting process.

3.2 Before considering whether there is a need to refine the above framework it may be helpful to outline some of the financial pressures and issues that the Council is likely to have to consider during the lifetime of the new financial strategy.

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3.3 During the budget process Members considered and agreed Expenditure Proposals that affect the Council's financial position over the lifetime of the financial strategy. Those proposals are attached as Appendix 1 to this report. Members will have to reconsider these proposals to ensure that the proposals continue to be appropriate.

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3.4 Appendix 2 is an update of the General Fund Revenue summary position. The projections have been taken forward a year and have been presented in a different format which will hopefully assist Members to more easily assess the Council's financial position. As has been the case for some years it is clear that the Council is facing another challenging financial period.

3.5 The items added to the projections that Members have previously considered are: -

3.5.1 National Insurance

The Chancellor announced increased funding for the NHS in the recent budget, which is to be funded by increases in the level of National Insurance that both employees and employers will incur with effect from 1 April 2003. The net impact on the General Fund is £90,000.

3.5.2 Insurance

During the last budget process the need for additional funding in respect of the Council's insurances was identified due to market forces. This position has been exacerbated following the worldwide impact of September 11 and therefore it would seem prudent to increase the provision made last year.

3.5.3 Pay award

Although no adjustment has been made to the financial projections contained in Appendix 2 Members should note that the Council made provision of a pay award of 3% for the current year. The Employers, against a claim of 6% from the Employees, offered 3%. Whilst there is still some way to go before a settlement is achieved it is very unlikely to be at the level that the Council has set in the budget. There is potential for these negotiations to be protracted, as both sides appear to be unwilling to move from their existing positions. Although the financial projections in this report have allowed for no increase in the pay award in the current financial year it should be noted that in any settlement for every 1% above that which has been budgeted for there will be a £140,000 impact on the General Fund.

The financial projections attached to this report have assumed pay settlements of 3% for future years being 0.5% above the Government's target for inflation. In addition provision has been made for increments, which broadly equate to another 1% on the pay bill.

3.5.4 Aggregate External Finance

Members will be aware that the Government announced in the recent Local Government White Paper that they would change the basis upon which revenue support is allocated to local authorities via the aggregate external finance settlement. Whilst the outcome of these deliberations is not yet known, and is unlikely to be known before late November, it is clear that the South East of England will suffer from a reduction of resources which will be redistributed to other parts of the country. It is impossible to estimate what the impact of this redistribution will be for this Council but the Government has stated that floors and ceilings will be retained in the new grant mechanism. This will therefore reduce the impact of any grant redistribution in the short term.

4. MACRO ECONOMICS

4.1 The issues that have greatest impact on the Council are largely outside of the Council's control and tend to be issues of national or even international influence. Outlined above is the approach adopted in respect of the national pay award, national insurance, and aggregate external finance settlement. Other issues that will have a major impact on the Council's financial position are outlined below.

4.1.1 Inflation

The Council's budget is constructed on an incremental basis. This means that provision for pay awards and other inflation is added annually to the previous years budget. In 2001/2002 supplies and services budgets were cash limited for all services saving a sum of around £100,000 on all General Fund activities. This was absorbed within service budgets without significant impact and was possible because inflation of 2.5% had been assumed over the previous few years when RPI had been running at a lower level.

The projections contained within Appendix 2 of this report allow for inflation of 2.5%. Inflation can be measured by numerous indices. The two most commonly used measures are however RPI (retail price index) and RPIX, the latter excluding mortgage interest. It is the latter measure which is largely used for increases in contractual arrangements. The financial projections make provision for inflation at 2.5% because this is the Government's target. The latest inflation position is as follows:-

| | Dec 01 | Jan 02 | Feb 02 | March 02 | April 02 |
|--------------------|--------|--------|--------|----------|----------|
| RPI Year on year% | 0.7 | 1.3 | 1.0 | 1.3 | 1.5 |
| RPIX Year on year% | 1.9 | 2.6 | 2.2 | 2.3 | 2.3 |

The Council could decide to take a more aggressive approach to the incremental increase in budgets in respect of general inflation as the Council's financial position evolves in the coming months. It should however be noted that inflation within the building industry is significantly above that outlined above due to supply and demand inflation.

4.1.2 Interest rates

UK interest rates have seen a period of stability not seen for many years. The current base rates stands at 4%, which is at its lowest level for over three decades. The Council has to some extent relied on the income generated from its investment income to balance the revenue budget. As a result of falling investment income the Council has had to deal with some significant reductions in the resources that it has available to fund the services that it provides.

The Council has now coped with rates falling to what is the bottom end of the interest rate cycle. If investment income forecasts start

to rise, the Council could consider that any additional revenue generated is not used to fund on-going revenue expenditure. Any sum above the current base could then be used for the funding of the capital programme and/or the funding of any one off revenue projects. As the Council has no provision for any on-going development of a capital programme this would be prudent financial management.

4.1.3 National Park Status

Whilst not a macro economic issue the Council must acknowledge that there will be an impact on the Council's resources when a significant part of the District becomes a National Park. The reason being that the National Park will receive it's own funding for the services for which it will be responsible which were previously the responsibility of the District Council. As a result the District Council will receive less central government support.

The Council will however not incur the cost of delivering these services and therefore potentially this could be of financial benefit to the Council. The net impact of this change is difficult to assess and is exacerbated by the current review of the grant mechanism. It is therefore impossible to say at this stage what the net position will be but Members will be informed as soon as any information becomes available.

5. CAPITAL

- 5.1 The Council approved and financed a capital programme in February for the current year. The capital programme for 2001/2002 was significantly under spent with many schemes slipping in to the current financial year. Any funding for new projects must come from revenue funding (be that current or reserves) or from the sale of assets.
- 5.2 The Local Government White Paper highlighted a proposed change to the way in which local government capital expenditure is supported by central government. At present local authorities are only allowed to borrow for capital purposes if they receive a borrowing approval from the government. This is to be replaced by a new prudential code, which effectively will not restrict borrowing for capital purposes as long as local authorities are able to demonstrate that they can afford to finance the debt. As a result it is becoming more important to have a clear vision of the financial future of the Council.
- 5.3 The Cabinet will be considering the 2002 Capital Strategy and Asset Management Plan at the August meeting. This Strategy may therefore need to be refined as a result of issues arising from that document.
- 5.4 The change in approach to capital funding will not be fully effective until April 2004 and a more detailed paper will be produced on this subject for a future meeting. At that stage the Council will need to consider and evaluate the benefits of becoming debt free against those of increasing its debt position as both have advantages.

- 5.5 Members will recall that a reserve has been established following a significant amount of work with the District Auditor on the subject of commutation. It is still hoped that a legislative change will be forthcoming which will enable this reserve to be utilised for other purposes but this is now unlikely to be during the current financial year.
- 5.6 The only other capital funding source available to the Council is from the sale of assets. Whilst the Council has limited asset holdings it will need to review the asset portfolio to ensure that it is maximising the use of the assets that it holds and to ensure that a more effective use could not be established. Whilst the budget should not be a driver for decision making on this issue it clearly is a significant factor.

6. HEART OF THE FOREST

- 6.1 The Corporate Plan was published last year and is due to be reviewed shortly in light of comments received following a consultation process. The Council accepts that greater synergy needs to be achieved between the Heart of the Forest and the allocation of resources. The review of the Plan will therefore give an opportunity for this to be achieved.
- 6.2 Some progress has been made on clearly establishing the Council's priorities for the allocation of resources. This position will be built on during the coming months and will set the foundations for the Expenditure Plan process. It is clear from the financial issues contained in this report that both the forthcoming financial year and beyond will again place significant pressure on the Council unless a step change in the Council's finances is achieved.

7. FEES AND CHARGES

- 7.1 The Council agreed a Charging Strategy during 2001 that sought to ensure that income from fees and charges was maximised unless there were strategic reasons why this should not occur. Significant additional income has been included in the budget for the current financial year however this pressure must be maintained.
- 7.2 The Charging Strategy recommends that the financial strategy and budget framework report should give guidance on the minimum percentage increase that should be added to the level of fees and charges each year. The Strategy also recognised that many of the charges for Council services are either set by Government, or have statutory 'strings' attached to the level of the charge, or the charge is influenced by market forces. As a result the amount of income that can be directly influenced by significantly increasing the level of charge above the rate of inflation is limited.
- 7.3 The Council does however need to continue to place pressure on maximising the amount of income that it generates from this source. It is therefore recommended that income be maximised where possible unless other factors such as market forces dictate an alternative level of income generation. It is recommended that no minimum level of increase be set out in this document but that all charges should be reviewed and that charges

be set at a level that will maximise income generation where it is appropriate to do so.

8. SECOND HOMES

- 8.1 Members will recall that a consultation paper was considered earlier this year on the issue of second home discounts. Whilst no formal announcement has been made it is likely that the necessary legislation will be made and that the income will be available to local authorities and will not be ring fenced. This will not assist next years budget but will be in place at some time during the life of this financial strategy. If the income is not ring fenced for housing purposes it is extremely unlikely that it will be retained at a district level. This has a significant impact on the level of benefit that will be derived from the change. No figure has yet been included in the financial projections contained within Appendix 2 in respect of this issue.

9. TIMETABLE

- 9.1 The timetable and process that was agreed for expenditure plans and the budget last year was not expeditious. It resulted in the debate on some issues being replicated on numerous occasions and did not prove to be an effective use of the democratic process. It is therefore proposed to refine the Expenditure Planning process for this year as follows: -

| | | |
|----------|---------|--|
| July | Cabinet | Financial Strategy and Expenditure Plan Guidelines |
| November | Cabinet | Expenditure Plan Bids and Savings |
| November | Panels | Expenditure Plan Bids and Savings |
| January | Cabinet | Comments from Panels + Budget |
| January | Panels | Budget Proposals |
| February | Cabinet | Comments from Panels |
| February | Council | Budget and Tax Set |

10. FINANCIAL STRATEGY AND EXPENDITURE PLAN GUIDELINES

- 10.1 Having considered all the issues outlined in this paper it is recommended that the financial strategy for the Council should be as follows.

The Council should seek, as far as possible, in the lifetime of this financial strategy to have: -

- a) Achieved a balanced revenue budget
- b) Made provision within the revenue budget for an affordable capital programme
- c) Ensured that the revenue balances of the Council are no less than 10% of the net revenue budget

- d) Identified where income through fees and charges is not being maximised except as a conscious decision of the Council for strategic reasons
- e) Reviewed all land and property holdings to ensure that they are being efficiently used and needed or held for other strategic purposes
- f) Ensured that there is greater integration of the budget setting process and best value reviews
- g) Developed a process that results in closer links being achieved between the budget setting process and the setting of corporate objectives/targets
- h) Developed a priority based budgeting system which will add clarity to the linking of corporate priorities to the allocation of resources

10.2 This Strategy will be reviewed annually to ensure that it retains its validity and deals with the Council's evolving financial position as the issues contained in this report gain some clarity.

10.3 It is important to set out a framework within which the Expenditure Plans and budgets will be constructed. In light of the contents of this report the Council again faces a challenging time in the next few years unless a step change in it's financial position is achieved. It is against this backcloth that the following guidelines are recommended with an underlying message of restraint:-

- 10.3.1 All fees and charges to be reviewed and maximised unless a conscious decision is taken not to do so as outlined in the Corporate Charging Strategy
- 10.3.2 Revenue growth bids be restricted to matters of corporate priority as identified within the review of The Heart of the Forest and a justified business case
- 10.3.3 The General Fund Balance be maintained at a minimum of 10% of net revenue expenditure
- 10.3.4 Any revenue under spend from the preceding financial year be utilised for capital purposes unless otherwise earmarked
- 10.3.5 The 2001/02 outturn figures to be investigated to identify if any efficiency savings can be identified
- 10.3.6 No increase in the capital programme be agreed unless a case is proven that the scheme is of corporate significance
- 10.3.7 A review is undertaken of all growth and savings proposals approved but not yet implemented to ensure their validity and appropriateness
- 10.3.8 The timing of the capital programme be amended to a position that is more realistically achievable

11. CONCLUSION

- 11.1 The Council again finds itself with a significant financial challenge. There are a number of significant macro issues, which are outside the Council's control that could substantially affect the Council's financial position but not all are necessarily detrimental.
- 11.2 The Council has overcome some major financial pressures during the last budget process that has, in spite of the current projections, given a degree of stability that should not go unrecognised. The Council now has a fully funded maintenance programme for its assets (at a cost of £500,000 per year) and has reduced its dependency on investment income to fund on-going revenue commitments. It is therefore much better placed to deal with the challenges contained in this report than it was at this time last year.
- 11.3 This report restates the need for restraint in the Expenditure Planning process and for income to be maximised. It also sees that there is an opportunity in the review of the Heart of the Forest for the Council's corporate plan to provide a priority setting framework which will facilitate the allocation of resources to priority service area's.

12. RECOMMENDATIONS

It is recommended that

- 12.1 The Financial Strategy contained in paragraph 10 of this report be approved
- 12.2 The Expenditure Planning guidelines contained in paragraph 10 of this report be approved
- 12.3 The timetable for the Expenditure Planning and Budget Setting Process be approved
- 12.4 The provisional position regarding the 2001/02 General Fund revenue Outturn be noted
- 12.5 The increase of the provision in respect of the National Park Inquiry in the sum of £235,000 be approved.

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CORPORATE AND FINANCE PORTFOLIO
DRAFT GENERAL FUND FORECAST 2003/04 TO 2006/07 BASED ON 2002/03 BUDGET

| PORTFOLIO/COMMITTEE | Note | Priority | 2003/2004 | 2004/2005 | 2005/2006 | 2006/2007 |
|--|-------------|-----------------|------------------|------------------|------------------|------------------|
| | | | £ | £ | £ | £ |
| CORPORATE AND FINANCE | | | | | | |
| Unavoidable Bids | | | | | | |
| Offices and Depots - Increased Rates | A | 1 | 2,200 | 2,200 | | |
| Superannuation | | | 70,000 | 70,000 | | |
| Bids | | | | | | |
| Offices and Depots Maintenance | B | 2 | 50,000 | | | |
| Vehicles and Plant - Replacement Programme | 7 | | 33,000 | 33,000 | 23,000 | |
| ICT | 8 | | 90,000 | 49,000 | 12,000 | |
| Reprographics - Leasing and Maintenance | | | 4,000 | 4,000 | | |
| Legal Services - Law Society Accreditation | | | - | 1,000 | -500 | |
| Pay review | | | * | * | * | * |
| Catering Equipment Replacement | B | | 25,000 | 5,000 | | |
| Total Bids | | | 274,200 | 164,200 | 34,500 | - |
| Savings | | | | | | |
| Employee Restructuring Savings | C | | -7,000 | | | |
| Single Status - Consultancy Support | | | -5,000 | | | |
| New Milton Offices | | | -2,750 | | | |
| Reduction in transfer to Redundancy Fund | | | -53,000 | -58,000 | -74,000 | |
| Photovoltaic Scheme - Town Hall | | | | -2,000 | | |
| Insurances - premium increase | A | 1 - | 5,000 | | | |
| Supporting People Scheme - Housing Benefit | | 1 - | 125,000 | | | |
| Single Status - DSO | | 1 - | 4,100 | | | |
| Marsh Lane Workshop Lift (lease costs + installation) | | | -9,000 | | | |
| Sub Total Savings | | | -210,850 | -60,000 | -74,000 | - |
| Net Portfolio Bids/Savings (-) | | | 63,350 | 104,200 | -39,500 | - |

Note Key

A - Existing Bids/Savings amended.

B - Transfer from capital.

C - Already approved.

New Bids/Savings Bolded.

CRIME & DISORDER PORTFOLIO
DRAFT GENERAL FUND FORECAST 2003/04 TO 2006/07 BASED ON 2002/03 BUDGET

| | Note | Priority | 2003/04 £ | 2004/05 £ | 2005/06 £ | 2006/07 £ |
|---|------|----------|---------------|---------------|----------------|--------------|
| BIDS | | | | | | |
| CCTV Programme (Possible External Contribution) | A | 1 | 19,000 | | | |
| Continued funding of Domestic Violence Co-ordinator | | 2 | 6,500 | | | |
| Community Safety (3 year strategy) | A | 4 | - | 10,000 | -10,000 | - |
| Sub Total Bids | | | 25,500 | 10,000 | -10,000 | - |
| SAVINGS | | | | | | |
| Sub Total Savings | | | - | - | - | - |
| Total Bids | | | 25,500 | 10,000 | -10,000 | - |
| Total Savings | | | - | - | - | - |
| NET BIDS / SAVINGS (-) | | | 25,500 | 10,000 | -10,000 | - |

Note Key

A - Existing Bids/Savings amended.
B - Transfer from capital
C - Previously approved or considered
New Bids/Savings Bolded.

ECONOMY & PLANNING PORTFOLIO**DRAFT GENERAL FUND FORECAST 2003/04 TO 2006/07 BASED ON 2002/03 BUDGET**

| | Note | Priority | 2003/04 £ | 2004/05 £ | 2005/06 £ |
|--|------|----------|----------------|----------------|----------------|
| UNAVOIDABLE BIDS | | | | | |
| District Local Plan Review | A | 1 | 75,000 | -25,000 | -50,000 |
| Public Lighting - Column Replacement Programme | B | 1 | 15,000 | | |
| Concessionary Travel | | 1 | 45,000 | | |
| Increased Inspection Fee Income (Section 38 Agreements review each year) | | 5 | 5,000 | | |
| BIDS | | | | | |
| Public Lighting - Footway Lighting improvements | B | 5 | 7,000 | | |
| Car park Special Improvements | B | 6 | 10,000 | | |
| Special Transport Initiatives to Reduce Social Exclusion | A | 9 | 5,000 | | |
| Economic Development - Possible Saving being considered | | 11 | 20,000 | | |
| Sub Total Bids | | | 182,000 | -25,000 | -50,000 |
| SAVINGS | | | | | |
| Dibden Bay Project Co-Ordinator | C | 3 | -12,500 | | |
| PDI Temporary Contract not being renewed | | 4 | | -35,000 | |
| Contribution to New Forest Heritage Area Transport Officer (3 Years) | C | 4 | | | -5,700 |
| | | | -12,500 | -35,000 | -5,700 |
| Sub Total Savings | | | | | |
| Total Bids | | | 182,000 | -25,000 | -50,000 |
| Total Savings | | | -12,500 | -35,000 | -5,700 |
| NET BIDS / SAVINGS (-) | | | 169,500 | -60,000 | -55,700 |

Note Key

A - Existing Bids/Savings amended.
 B - Transfer from capital
 C - Previously approved or considered
 * - Details not yet quantifiable

New Bids/Savings Bolded.

ENVIRONMENT PORTFOLIO**DRAFT GENERAL FUND FORECAST 2003/04 TO 2006/07 BASED ON 2002/03 BUDGET**

| | Note | Priority | 2003/04 £ | 2004/05 £ | 2005/06 £ |
|---|------|----------|----------------|--------------|--------------|
| Bids | | | | | |
| Public Conveniences - Refurbishment of Toilets | B | 4 | 25,000 | | |
| Refuse Collection - Source Separated Collection Serv. | A | 6 | 75,000 | | |
| Sub Total Bids | | | 100,000 | - | - |
| Savings | | | | | |
| Dog Waste Bins - Increase the Number of Dog Waste Bins | | 2 | - 5,000 | | |
| Systems and Applications Support officer (Environmental Health) | | 8 | - 10,000 | | |
| Sub Total Savings | | | -15,000 | - | - |
| Total Bids | | | 100,000 | - | - |
| Total Savings | | | -15,000 | - | - |
| NET BIDS / SAVINGS (-) | | | 85,000 | - | - |

Note Key

A - Existing Bids/Savings amended.

B - Transfer from capital

C - Previously approved or considered

New Bids/Savings Bolded.

GENERAL PURPOSES & LICENSING COMMITTEE
DRAFT GENERAL FUND FORECAST 2003/04 TO 2006/07 BASED ON 2002/03 BUDGET

| | Note | Priority | 2003/04 £ | 2004/05 £ | 2005/06 £ | 2006/07 £ |
|---------------------------------|------|----------|---------------|----------------|--------------|--------------|
| BIDS | | | | | | |
| Quadrennial Election | C | 1 | 80,000 | -60,000 | | |
| Sub Total Bids | | | 80,000 | -60,000 | - | - |
| SAVINGS | | | | | | |
| Sub Total Savings | | | - | - | - | - |
| Total Bids | | | 80,000 | -60,000 | - | - |
| Total Savings | | | - | - | - | - |
| NET BIDS / SAVINGS (-) | | | 80,000 | -60,000 | - | - |

Note Key

A - Existing Bids/Savings amended.
 B - Transfer from capital
 C - Previously approved or considered
New Bids/Savings Bolded.

HEALTH & SOCIAL EXCLUSION PORTFOLIO
DRAFT GENERAL FUND FORECAST 2003/04 TO 2006/07 BASED ON 2002/03 BUDGET

| | Note | Priority | 2003/04 £ | 2004/05 £ | 2005/06 £ | 2006/2007 £ |
|--------------------------------------|------|----------|--------------|--------------|--------------|----------------|
| HEALTH & SOCIAL EXCLUSION | | | | | | |
| BIDS | | | - | - | - | - |
| Sub Total Bids | | | - | - | - | - |
| SAVINGS | | | - | - | - | - |
| Sub Total Savings | | | 0 | 0 | 0 | 0 |
| NET BIDS / SAVINGS (-) | | | - | - | - | - |

Note Key

- A - Existing Bids/Savings amended
 B - Transfer from capital
 C - Previously Approved or Considered

New Bids/Savings Bolded

HOUSING PORTFOLIO
DRAFT GENERAL FUND FORECAST 2003/04 TO 2006/07 BASED ON 2002/03 BUDGET

| | Note | Priority | 2003/04 £ | 2004/05 £ | 2005/06 £ | 2006/07 £ |
|---------------------------------|------|----------|----------------|----------------|----------------|----------------|
| HOUSING PORTFOLIO | | | | | | |
| UNAVOIDABLE BIDS | | | | | | |
| BIDS | | | | | | |
| Shared Amenities Contribution | | | 2,000 | 2,000 | 2,000 | 2,000 |
| Sub Total Bids | | | 2,000 | 2,000 | 2,000 | 2,000 |
| SAVINGS | | | | | | |
| Community Alarm Scheme | | | -8,000 | -8,000 | -8,000 | -8,000 |
| Remove Shared Amenities Cont | | | -2,000 | -2,000 | -2,000 | -2,000 |
| Sub Total Savings | | | -10,000 | -10,000 | -10,000 | -10,000 |
| NET BIDS / SAVINGS (-) | | | -8,000 | -8,000 | -8,000 | -8,000 |

Note Key

- A - Existing Bids/Savings amended
- B - Transfer from capital
- C - Previously Approved or Considered

New Bids/Savings Bolded

LEISURE PORTFOLIO**DRAFT GENERAL FUND FORECAST 2002/03 TO 2005/06 BASED ON 2001/02 BUDGET**

| | Note | Priority | 2003/04 £ | 2004/05 £ | 2005/06 £ | 2006/07 £ |
|---|------|----------|----------------|----------------|--------------|---------------|
| UNAVOIDABLE BIDS | | | | | | |
| Criminal Records Bureau | C | 1 | 3,600 | | | |
| BIDS | | | | | | |
| ARC - Extension to Fitness Suite (See Saving Below) | C | 2 | 3,000 | 4,000 | 4,000 | |
| ARC Reflections Suite (See Saving Below) | | 4 | 2,700 | | | |
| NMRC Extension to Contours - Additional Staffing & Leasing | | 5 | 15,000 | | | |
| DGC Driving Range Dispenser | | 6 | 1,700 | | | |
| Recreation Centre & Dibden Golf Centre Equipment Leasing | | 8 | 14,600 | 4,000 | | |
| Coastal PPM | B | 9 | 5,000 | 5,000 | | |
| TRC Customer Service Point Reception Refurbishment (Possible External Funding) | | 10 | 2,000 | -2,000 | | |
| TRC Additional Receptionist for Customer Service Point | | 16 | 1,500 | | | |
| DGC Driving Range Refurbishment | B | 17 | 10,000 | -10,000 | | |
| Active Sport Programme & Youth Games | | 18 | | 1,000 | | |
| Continuation of Cardiac Rehabilitation Programme (Possible External Funding) | | 19 | 27,000 | | | |
| DGC Driving Range Carpet | B | 20 | | 6,000 | -6,000 | |
| DGC Tee Renovation | B | 21 | 3,000 | | | |
| TRC Move Doors in Main Sports Hall | | 22 | 4,500 | -4,500 | | |
| Barton-on-Sea Feasibility Study | | 31 | | | 6,000 | -6,000 |
| All Centres Plant Maintenance & Replacement | B | 33 | 48,000 | -24,000 | | |
| RRC - Refurbish Squash Courts | B | 34 | 10,000 | -10,000 | | |
| | | | 151,600 | -30,500 | 4,000 | -6,000 |
| | | | | | | |

LEISURE PORTFOLIO**DRAFT GENERAL FUND FORECAST 2002/03 TO 2005/06 BASED ON 2001/02 BUDGET**

| | Note | Priority | 2003/04 £ | 2004/05 £ | 2005/06 £ | 2006/07 £ |
|---|------|----------|-----------------|-----------------|---------------|---------------|
| <u>SAVINGS</u> | | | | | | |
| RRC Replacement of Ceiling Above Learner Pool | B | 7 | -7,000 | | | |
| LRC Equipment & Tools - Rollerblade Ramps | | 15 | -1,000 | | | |
| Tourism - Information and Interpretation Strategy | B | 27 | -2,500 | | | |
| NMRC Accommodate new Computers on Reception | | 29 | -2,000 | | | |
| St. Barbe Museum - Employment of Education Officer | | 30 | | | -3,000 | |
| Reduction in Catering Compensation - Pool Closures | | 3 | -6,000 | | | |
| ARC Water Recycling | | 4 | -2,000 | | | |
| LRC Solar Heating Scheme | | 4 | | | | |
| NMRC Solar Heating Scheme | | 4 | -1,000 | | | |
| RRC Water Recycling | | 4 | | -1,000 | | |
| TRC Combined Heat & Power | | 4 | -1,000 | -2,000 | | |
| Utilities / Energy Management | | 4 | -5,000 | | | |
| TRC Lifestyles Additional Income (See Bid Above) | | 8 | -13,000 | | | |
| LRC Phase 2 - Additional Income | | 9 | | -60,000 | | |
| ARC Income due to Fitness Suite Extension (See Bid Above) | C | 11 | -40,000 | -40,000 | -5,000 | |
| ARC Income due to Reflections Refurb (See Bid Above) | A | 12 | -3,000 | | | |
| NMRC Additional Income due to Extension to Contours | | 13 | -33,000 | -4,000 | | |
| ARC Additional Income due to NFSSA Amalgamation | | 14 | -3,600 | | | |
| Tourism Best Value Review | A | 22 | -4,000 | | | |
| Recreation Centre Savings re. UV Disinfectant System | | 23 | -4,000 | | | |
| | | | -128,100 | -107,000 | -8,000 | 0 |
| NET BIDS / SAVINGS (-) | | | 23,500 | -137,500 | -4,000 | -6,000 |

Note Key

A - Existing Bids / Savings - Amended

B - Transfer from Capital

C - Previously approved / considered

New Bids / Savings in Bold Type

PLANNING DEVELOPMENT CONTROL COMMITTEE
DRAFT GENERAL FUND FORECAST 2003/04 TO 2006/07 BASED ON 2002/03 BUDGET

| | Note | Priority | 2003/04 £ | 2004/05 £ | 2005/06 £ | 2006/07 £ |
|---------------------------------|------|----------|--------------|--------------|--------------|--------------|
| BIDS | | | | | | |
| Sub Total Bids | | | - | - | - | - |
| SAVINGS | | | | | | |
| Sub Total Savings | | | - | - | - | - |
| Total Bids | | | - | - | - | - |
| Total Savings | | | - | - | - | - |
| NET BIDS / SAVINGS (-) | | | - | - | - | - |

Note Key

A - Existing Bids/Savings amended.

B - Transfer from capital

C - Previously approved or considered

New Bids/Savings Bolded.

STANDARDS COMMITTEE
DRAFT GENERAL FUND FORECAST 2003/04 TO 2006/07 BASED ON 2002/03 BUDGET

| PORTFOLIO/COMMITTEE | Note | Priority | 2003/04 £ | 2004/05 £ | 2005/06 £ | 2006/07 £ |
|---------------------------------------|-------------|-----------------|---------------------|---------------------|---------------------|---------------------|
| STANDARDS COMMITTEE | | | | | | |
| Unavoidable Bids | | | | | | |
| Total Bids | | | - | - | - | - |
| Savings | | | | | | |
| Sub Total Savings | | | - | - | - | - |
| Net Committee Bids/Savings (-) | | | - | - | - | - |

Note Key

A - Existing Bids/Savings amended.

B - Transfer from capital.

C - Already approved.

New Bids/Savings Bolded.

NEW FOREST DISTRICT COUNCIL

DRAFT GENERAL FUND FORECAST 2003/04 TO 2006/07 BASED ON 2002/03 BUDGET

| <u>28/06/02</u> | 2002/03 | 2003/04 | 2004/05 | 2005/06 | 2006/07 |
|---|----------------|----------------|----------------|----------------|----------------|
| | £000 | £000 | £000 | £000 | £000 |
| Net Portfolio Requirements | 19403 | 19403 | 20552 | 21141 | 21783 |
| Transfer To Provisions | | | | | |
| Est. Inflation (salary related) | | 540 | 560 | 580 | 600 |
| Other Inflation | | 170 | 180 | 180 | 190 |
| Sub Total (A) | 19403 | 20113 | 21292 | 21901 | 22573 |
| Capital Financing Provision | 250 | 250 | 300 | 250 | 250 |
| Sub Total (B) | 19653 | 20363 | 21592 | 22151 | 22823 |
| Transfer from DSO reserve | -180 | -180 | -180 | -180 | -180 |
| Sub Total (C) | 19473 | 20183 | 21412 | 21971 | 22643 |
| Less Interest on Balances(net) | -850 | -850 | -850 | -850 | -850 |
| Sub Total (D) | 18623 | 19333 | 20562 | 21121 | 21793 |
| Transfer From Commutation/MRP | -103 | -123 | -74 | | |
| Budget Requirements Total (E) | 18520 | 19210 | 20488 | 21121 | 21793 |
| Add Expenditure Plan Bids | | | | | |
| Corporate & Finance | | 274 | 164 | 35 | 0 |
| Crime & Disorder | | 26 | 10 | -10 | 0 |
| Economy & Planning | | 182 | -25 | -50 | 0 |
| Environment | | 100 | 0 | 0 | 0 |
| Health & Social Exclusion | | 0 | 0 | 0 | 0 |
| Housing | | 2 | 2 | 2 | 2 |
| Leisure | | 152 | -31 | 4 | -6 |
| General Purposes & Licensing Committee | | 80 | -60 | 0 | 0 |
| Planning Development Control Committee | | 0 | 0 | 0 | 0 |
| Standards Committee | | 0 | 0 | 0 | 0 |
| Sub Total Bids | 0 | 815 | 61 | -20 | -4 |
| Deduct Expenditure Plan Savings | | | | | |
| Corporate & Finance | | -211 | -60 | -74 | 0 |
| Crime & Disorder | | 0 | 0 | 0 | 0 |
| Economy & Planning | | -13 | -35 | -6 | 0 |
| Environment | | -15 | 0 | 0 | 0 |
| Health & Social Exclusion | | 0 | 0 | 0 | 0 |
| Housing | | -10 | -10 | -10 | -10 |
| Leisure | | -128 | -107 | -8 | 0 |
| General Purposes & Licensing Committee | | 0 | 0 | 0 | 0 |
| Planning Development Control Committee | | 0 | 0 | 0 | 0 |
| Standards Committee | | 0 | 0 | 0 | 0 |
| Sub Total Savings | 0 | -376 | -212 | -98 | -10 |
| Other Items | | | | | |
| Forecast Budget Requirements Total (F) | 18520 | 19649 | 20337 | 21003 | 21779 |

NEW ITEMS SINCE 02/3 BUDGET SETTING

| | | | | |
|--------------------|----|-----|-----|-----|
| National Insurance | 90 | 90 | 90 | 90 |
| Insurance | 40 | 40 | 40 | 40 |
| | 0 | 130 | 130 | 130 |

| | | | | | |
|---------------------------------|--------------|--------------|--------------|--------------|--------------|
| TOTAL BUDGET REQUIREMENT | 18520 | 19779 | 20467 | 21133 | 21909 |
|---------------------------------|--------------|--------------|--------------|--------------|--------------|

NOTE:- No provision has been made for the likely additional pay award in 2002/03