



CABINET – 7 AUGUST 2002

PORTFOLIO: FINANCE AND SUPPORT/ALL

FINANCIAL REPORT FOR THE PERIOD APRIL 2002 TO JUNE 2002

1 INTRODUCTION

- 1.1 This report sets out the forecast budget variations of all Portfolios and Committees from the approved original estimates for 2002/03.
- 1.2 Appendix 1 shows the current forecast for the General Fund. Appendix 2 shows the Capital expenditure position. Appendix 3 shows the figures for the Housing Revenue Account.
- 1.3 Cabinet approval is sought for all variations identified to date, but in addition, budget increases in excess of £20,000 must also be approved by Council at their next meeting.

2 GENERAL FUND (APPENDIX 1)

- 2.1 The new variations result in an overall increase in the net budget of £5,000.
- 2.2 The major variations are listed below but full details are set out in Appendix 4.

	£'000
NEW VARIATIONS	
Corporate and Democratic Core	-18
Unapportionable Central Overheads	-16
Balances Unallocated	
- Development Control & Enforcement	20
Pest Control	20
Public Conveniences	35
Recreation Centres	
- Applemore	163
- New Milton	96
- Ringwood	106
- Lymington	46
- Totton	46
Development Control & Enforcement	-20

Asset Rental Income
Other

-477
4
5

3 CAPITAL EXPENDITURE (APPENDIX 2)

3.1 Other Services

3.1.1 The new variations show a net increase in 2002/03 expenditure of £1,528,000.

3.1.2 The increase of £1,528,000 is summarised below but full details are shown in Appendix 5.

	£'000
NEW VARIATIONS	
Rephasing – Corporate and Finance	171
Crime and Disorder	218
Economy and Planning	41
Environment – Coastal Protection	131
Environment	68
Leisure	425
Leisure – Developers Contributions	360
Economy and Planning – Highways Agency	-112
Environment – Coastal Protection:	
- Lymington Quay Wall & Surfaces	22
- Hurst Spit Management	-28
- Regional Monitoring	113
Environment: – Lymington Quay	
- Fees & Contingencies	5
- Principal Environmental Enhancements	42
- Public Conveniences	-12
Leisure – Developers Contributions:	
- Open Space, Hythe and Dibden	75
- Environmental Improvements	9
	<u>1,528</u>

3.2 Housing

3.2.1 The new variations show an increase of £187,000 in Housing Capital expenditure. This increase is due to rephasing of £137,000 Social Housing Grant schemes from 2001/02, and to reflect Cabinet approval on 5 June 2002 to increase the grants budget for Disabled Facilities Grant by £50,000 to support discretionary work.

4 HOUSING REVENUE ACCOUNT (APPENDIX 3)

- 4.1 There are no overall variations to report. However, a report to Cabinet on 3 April 2002 for the Planned Maintenance Programme identified the need for a virement of £237,000 from the Planned Maintenance budget to the Cyclical Maintenance budget.

5 CRIME AND DISORDER IMPLICATIONS

- 5.1 There are no crime and disorder implications arising directly from this report.

6 ENVIRONMENTAL IMPLICATIONS

- 6.1 There are no environmental implications arising directly from this report.

7 RECOMMENDATIONS

- 7.1 It is recommended that Members:-
- a) approve the revised General Fund budget as set out in Appendix 1.
 - b) Approve the revised capital expenditure as set out in Appendix 2 and recommend Council to approve £22,000 for Lymington Quay Wall & Surfaces, £42,000 for Principal Environmental Enhancements to Lymington Quay, and £113,000 for Regional Monitoring.

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APPENDIX 4

New Variations – General Fund Revenue Expenditure

£000

1. Corporate & Finance – Direct

Industrial Estates – The cost of a property market research study for Hardley Industrial Estate has increased by £1,200 due to additional work being needed.

1

Housing Benefit Scheme – Funding of £7,500 from the DTLR towards the implementation costs of Supporting People and processing transitional housing benefit claims.

-8

Corporate and Democratic Core – Savings of £17,760 have arisen due to the removal of the Head of Central Administration and Accounting charges. These charges had been included incorrectly when setting the original 2002/03 budgets therefore no charge will arise in the current year.

-18

Unapportionable Central Overheads – The original budget includes £16,200 for demolition and redundancy costs relating to the closure of public conveniences, as timing prevented it being included in the original public conveniences budgets. This variation therefore represents the transfer of the budgets to the Environment Portfolio.

-16

TOTAL VARIATIONS

-41

2. Corporate & Finance – Holding Accounts

Offices and Depots:

Following the transfer of the paper purchasing function to Central Purchasing, £3,080 is required to fund secure storage facilities for the paper at Appletree Court and Marsh Lane Depot. These costs will eventually be funded by savings in paper purchase costs but the savings have not yet been fully quantified or allocated to budgets. In the meantime budget approval for the storage works is required.

3

Planning Development Control:

On 8 April 2002, Cabinet approved the continuation of neighbour notifications for planning applications. As a result, a budget virement of £20,000 has been made from the Development Control Service to the operational business unit. The business unit growth is shown within this Portfolio but is matched by a corresponding reduction within the Planning Development Control budgets.

20

TOTAL VARIATIONS

23

£000

3. Economy and Planning

Car Parks – Latest figures show an approximate saving of £5,000 in the National Non-Domestic Rates charge.

-5

TOTAL VARIATIONS

-5

4. Environment

Cemeteries – Revised interpretation of CIPFA guidelines relating to the treatment of capital assets has resulted in a new depreciation charge.

1

Pest Control – From the 1 April 2002 a charge of £30 including VAT was introduced for domestic rodent control treatments. Income was predicted at that time to be in region of £60,000 allowing for a slight reduction in demand. However, based upon numbers of requests from April, it is anticipated that there will be a £20,000 shortfall in income during the year.

20

Public Conveniences:

– Virement from Corporate and Finance Portfolio, for the demolition and redundancy costs relating to the closure of public conveniences.

16

– Revised interpretation of CIPFA guidelines relating to the treatment of capital assets has resulted in a new depreciation charge.

19

TOTAL VARIATIONS

56

5. Leisure

Revised interpretation of CIPFA guidelines relating to the treatment of capital assets has resulted in new depreciation charges:

Recreation Centres:

- Applemore
- New Milton
- Ringwood
- Lymington
- Totton

163

96

106

46

46

Keyhaven River – The launch at Keyhaven was sunk due to the failure of a private mooring. As the launch is essential to the River Warden, immediate repairs were undertaken. Some of the costs incurred are covered by insurance, but the unrecoverable costs will result in an overspend of £1,000.

1

Open Spaces – The Grounds Maintenance budget is currently projected to overspend by £1,600, primarily due to essential tree and ditching works resulting from a lack of maintenance over many years.

2

Tourism – The boiler and central heating system at Lyndhurst Visitor Information Centre broke down in April and was irreparable. As part of our agreement with the Ninth Centenary Trust to contribute 20% to building maintenance expenditure costs, we have paid £2,554 towards the replacement of the system.

3

TOTAL VARIATIONS

463

£000

6. General Purposes and Licensing

Registration of Electors – Increased postage costs are forecast due to the implementation of the rolling register. 6

TOTAL VARIATIONS 6

7. Planning Development Control

Development Control & Enforcement – On 8 April 2002 Cabinet approved the continuation of neighbour notifications for planning applications. As a result, virements totalling £20,000 have been made from the Corporate and Finance Portfolio (see note 2 in this Appendix). -20

TOTAL VARIATIONS -20

8. Asset Rental Income

Revised interpretation of CIPFA guidelines relating to the treatment of capital assets has resulted in new depreciation charges. This variation contras the cost items in notes 4 and 5 of this Appendix. -477

TOTAL VARIATIONS -477

TOTAL ALL VARIATIONS 5

APPENDIX 5

New Variations – Other Services Capital Expenditure

£000

1. Corporate and Finance

Expenditure on the following schemes has been rephased from 2001/02:

Appletree Court	
– Pedestrian / Vehicle Access Gosport Lane	9
– Electrical Testing Remedial Works	4
– Rain Water Recycling Scheme	4
– Refurbishment of Main Reception	1
– Renewal of Electrical Supply	36
Town Hall, Lymington	
– Refurbish gents GF Toilets/add showers	11
– Carpet Replacement Programme	1
New Milton Offices – Provision of New Offices	71
Fordingbridge Offices – Relocation of new offices	22
Information Offices – Refurbishments	20
Claymeadow Depot – Grounds Maintenance	2
Marsh Lane Depot – Grounds Maintenance	3
Offices and Depots	
– Improved Facilities for the Disabled	2
– Disability Discrimination Act	13
Catering Client – Applemore Rec. Centre Bar Furniture	7

Due to additional expenditure being incurred on the scheme to refurbish the heating system at Appletree Court in 2001/02 expenditure has been rephased from 2002/03.	-35
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TOTAL VARIATIONS	<u>171</u>
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2. Crime and Disorder

Expenditure on the following schemes has been rephased from 2001/02:

CCTV – CCTV Programme	189
Emergency Planning – Community Radio	9

The current expenditure profile on the CCTV scheme requires £20,000 to be brought forward from 2003/04.	20
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TOTAL VARIATIONS	<u>218</u>
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£000

3. Economy and Planning

Expenditure on the following schemes has been rephased from 2001/02:

Car Parks	
– Special Improvements	3
– Special Improvements Beaulieu	49
Environmental Initiatives	

– Fawley Village Centre	11
– Fordingbridge Town Centre	14
– Totton Town Centre	3
Public Lighting	
– Footway Lighting Column Replacement Programme	37
– Footway Lighting Improvements	24
Totton Town Centre – This budget has been rephased into 2003/04 to coincide with funding from Hampshire County Council, Southampton Area Transport Strategy and Regeneration of Older Urban Areas. The scheme will be subject to a public consultation in September 2002.	-100
Highways Agency – Due to the recent changes in respect of the transfer of the highways agency function, expenditure incurred by this Council will reduce by £112,000. The remaining costs will be directly reimbursed by Hampshire County Council.	-112
TOTAL VARIATIONS	-71

4. Environment – Coastal Protection

Expenditure on the following schemes has been rephased from 2001/02:

Hurst Spit Beach Management	28
Milford on Sea Coast Protection Works	3
Coastal Strategy Plan - Christchurch Bay	120
- Western Solent	6
Lymington Quay Wall & Surfaces	3
Regional Monitoring	1
Lymington Quay Wall & Surfaces – Latest projections forecast additional expenditure. The Government, Hampshire County Council and an allocation of Supplementary Credit Approval will match the additional cost.	22
Hurst Spit Beach Management – Costs for this scheme have been revised and an application made to DEFRA for the following five year period. Savings of £28,000 are now forecast.	-28
Saltmarshes – An application for the approval of this scheme has yet to be submitted. It is unlikely that approval will be granted this financial year, therefore the scheme has been rephased.	-30
Regional Monitoring – The estimated costs of this scheme have been revised. Additional expenditure of £113,000 for 2002/03 is now forecast. Costs will be met by Government and Hampshire County Council grant and an allocation of supplementary credit approval.	113
TOTAL VARIATIONS	238
	£000

5. Environment

Expenditure on the following schemes has been rephased from 2001/02:

Land Drainage Schemes	
- Ashurst Flood Relief Scheme	3
- Great Ballard Lake New Milton	2
- Lyndhurst Investigations	3
- Ripley Flood Relief Scheme	1
Lymington Quay Project	

- Principal Environmental Enhancements	19
- Public Conveniences	9
Public Conveniences	
- Feasibility Study	5
- Rebuilding	17

Lymington Quay Project – Net additional costs of £35,000 are now forecast. The main reasons for the £47,000 overspend are implementing the footpath link with Bath Road, anti skateboard measures, replacement bins and additional contract costs. These additional costs are in part offset by an anticipated saving on the facilities building of £12,000.

35

Watercourse Improvements Friars Walk and Lyndhurst & Portmore Flood Relief – A new process regarding standing orders requires closer partnership working with New Forest Contract Services. This has eliminated the need to hold retention monies until the end of each contract maintenance period. Therefore a total of £9,000 has been rephased from 2003/04 into 2002/03.

9

TOTAL VARIATIONS

103

6. Leisure

Expenditure on the following schemes has been rephased from 2001/02:

All Centres – Electrical Testing Remedial Works	29
Applemore Recreation Centre	
- Replacement of Gym Carpet	6
- Alteration to Balance Tanks	1
- Reflections Sauna Refurbishment	27
- Works to Comply with Disability Discrimination Act	15
- External Wall Repairs	2
- CCTV	6
New Milton Recreation Centre	
- Pool Hall Roof	2
- Installation of Automatic Doors	7
- New Build of Sports Hall Store Floor	4
- Access Control	9
	£000
Ringwood Recreation Centre	
- Extension of Car Park Lighting & CCTV	7
- Wet Change Refurbishment	72
Lymington Recreation Centre	
- Installation of Automatic Doors	6
- Contribution to Refurbishment of School Sports Hall Floor	3
Totton Recreation Centre	
- Fitness Suite Extension	30
- Wet Change Refurbishment	14
Dibden Golf Centre	
- Electrical Remedial Works	15

- Bunker Refurbishment	1
- Tee Renovation	1
- Construction of New Practice Area	10
Coast	
- Lymington Quay	6
- Coast Amenities PPM	40
- Milford Promenade	20
Tourism	
- Information & Interpretation Strategy	2
- Remote Areas Management	8
Dual Use/Joint Provision	
- Ninth Centenary Trust	25
- Forest Arts Extension to Building	17
Open Space	
- Jubilee Field, Sway - Partner Development	55

Due to final accounts reconciliations an adjustment to expenditure is required on the following schemes, which were previously reported as rephased from 2001/02:

Applemore Rec Centre	
- Replacement of Gym Carpet	-6
- External Wall Repairs	-1
New Milton Rec Centre	
- New Build of Sports Hall Store Floor	-4
Ringwood Rec Centre	
- Pool Hall Stanchion Repair	1
Lymington Rec Centre	
- Installation of Automatic Doors	-5
TOTAL VARIATIONS	<u>425</u>

£000

7. Leisure – Developer’s Contributions

Expenditure on the following schemes has been rephased from 2001/02:

Totton – Bartley Park	29
Fordingbridge – Marl Lane/Allen Water Drive Cycleway	5
Marchwood – Corkfield, Marchwood	21
New Milton - Land Acquisition	100
Ringwood - Land at Poulner Lakes	20
Totton – Totton & Eling T.C. Feasibility Work	7
Totton - Hangar Farm, Totton, Open Space	30

Totton - West Totton Centre	35
Totton - Hangar Farm, Totton, Community Use	113

It was agreed at Cabinet on 6 March 2002 (Report C) that following an unsuccessful Lottery bid, funding be allocated from Developers' Contributions to enable the implementation of new play area and skateboard park at Forest Front, Hythe.	75
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Funding required for the final year of a three year partnership scheme with Hampshire County Council for environmental improvements to parish paths.	9
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TOTAL VARIATIONS	<u>444</u>
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TOTAL ALL VARIATIONS	<u>1,528</u>
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FORECAST GENERAL FUND REVENUE
EXPENDITURE 2002/03

	Original Estimate £000s	Previous Variations £000s	New Variations £000s	Original to Forecast Variations	Forecast Budget £000s
Corporate & Finance - Direct	5,787	0	-41	-41	5,746
Corporate & Finance - Holding	0	0	23	23	23
Crime & Disorder	430	0	0	0	430
Economy & Planning	2,518	0	-5	-5	2,513
Environment	7,898	0	56	56	7,954
Housing	1,383	0	0	0	1,383
Health & Social Exclusion	122	0	0	0	122
Leisure	3,609	0	463	463	4,072
General Purposes & Licensing	440	0	6	6	446
Planning Development Control	983	0	-20	-20	963
Asset Rental Income	-3,767	0	-477	-477	-4,244
Net Expenditure	19,403	0	5	5	19,408
Capital Financing Provision	250	0	0	0	250
Interest Earnings	-850	0	0	0	-850
Transfer to(from) DSO reserve	-180	0	0	0	-180
Transfer to(from) Cap. Fin. res.	-103	0	0	0	-103
Net Financing	-883	0	0	0	-883
Transfer to(from) Gen. Fund Bal.	0	0	-5	-5	-5
TOTAL REVENUE	18,520	0	0	0	18,520

FORECAST CAPITAL EXPENDITURE 2002/03

	Original Estimate £000s	Previous Variations £000s	New Variations £000s	Original to Forecast Variations	Forecast Budget £000s
Corporate & Finance	1,020	0	171	171	1,191
Crime & Disorder	358	0	218	218	576
Economy & Planning	768	0	-71	-71	697
(Env) Coastal Protection	962	0	238	238	1,200
Environment	586	0	103	103	689
Leisure	819	0	425	425	1,244
Leisure - Developers Contrib.	200	0	444	444	644
Subtotal Other Services	4,713	0	1,528	1,528	6,241
Housing - Public Sector	500	0	0	0	500
Housing - Private Sector	3,541	0	187	187	3,728
Subtotal Housing	4,041	0	187	187	4,228
TOTAL CAPITAL	8,754	0	1,715	1,715	10,469

FORECAST HOUSING REVENUE ACCOUNT
EXPENDITURE 2002/03

	Original Estimate £000s	Previous Variations £000s	New Variations £000s	Original to Forecast Variations	Forecast Budget £000s
Repairs & Maintenance	8,582	0	0	0	8,582
Supervision & Management	4,168	0	0	0	4,168
Other	11,575	0	0	0	11,575
Revenue Cont. to Cap. Exp.	500	0	0	0	500
Total Expenditure	24,825	0	0	0	24,825
Rent Income	-16,927	0	0	0	-16,927
Other Income	-7,020	0	0	0	-7,020
Total Income	-23,947	0	0	0	-23,947
Sub-total Variations	297	0	0	0	297
Deficit/Surplus(-)	878	0	0	0	878